

NATIONAL PROCESSED RASPBERRY COUNCIL

Conference Call

March 8, 2018; 9:00 a.m.

Board Members:

<input checked="" type="checkbox"/> Matt Simonian	<input checked="" type="checkbox"/> Antonio Dominguez	<input checked="" type="checkbox"/> Hector Lujan
<input type="checkbox"/> John Clark	<input checked="" type="checkbox"/> Adam Enfield	<input type="checkbox"/> Rob Dhaliwal
<input type="checkbox"/> Rolf Haugen	<input checked="" type="checkbox"/> Paul Sidhu	<input type="checkbox"/> Julie Schedeen
<input checked="" type="checkbox"/> Karen Holzberg	<input checked="" type="checkbox"/> Eric Larson	<input type="checkbox"/> Nicki Briggs
<input checked="" type="checkbox"/> Richard Rubin		

Alternate Members:

<input type="checkbox"/> Predrag Orescanin	<input type="checkbox"/> Jon Maberry	<input type="checkbox"/> Mark Van Klei
<input checked="" type="checkbox"/> John Vander Veen	<input checked="" type="checkbox"/> Mark Van Mersbergen	<input type="checkbox"/> Erin Thoeny
<input checked="" type="checkbox"/> Loren Kimura	<input type="checkbox"/> Tyler Edwards	<input checked="" type="checkbox"/> Jonathan Paris
<input type="checkbox"/> Santpal Aulakh	<input type="checkbox"/> Joe Vandepol	

Others:

<input checked="" type="checkbox"/> Tom Krugman	<input checked="" type="checkbox"/> Hakim Fobia
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x = attending o = absent

A. Call to Order; Establish Quorum

In the absence of the chair or vice-chair, the call was called to Order by Tom Krugman at 9:05 a.m. Roll call disclosed a quorum to be present. Tom began by reviewing the purpose of the call and the process that would be followed. He said that discussion should follow a presentation of data prior to a recommendation to the Secretary regarding possible re-allocation of membership on the Council with no action to be taken during the call. Instead, action will be an e-vote by the Council.

B. Data review: allocation of seats on Council

Tom then walked the Council through the data. It suggested that based on market share, of the Council's twelve seats allocated to domestic producers, foreign producers, and importers, that there be 8 seats for domestic producers, an increase in 1 versus the current allocation, 2 seats for foreign producers, and 2 seats for importers, one less than the current allocation. In describing the 8 seats for domestic producers, he noted that based on 3-year average production, California was entitled to 2 seats, Oregon 1 seat, and Washington 4 seats, with 1 seat reserved for states with less than 3 million pounds production.

With no other states producing raspberries for processing, question was raised as to whether this seat could be allocated to one of the over 3 million pound states to avoid having a vacant seat on the Board. Hakim said that the Order specifically called for a set to be filled by a representative of under 3 million pound production states. Tom said that he had contacted the Executive Director of the North American Raspberry Blackberry Association as the organization representing less than 3 million pound production states to see if there was a grower that would be eligible. At this time, she did not believe there was a

grower delivering over 20,000 pounds but would continue to investigate. Question was raised as to the rationale for having a seat reserved for small states. Hakim responded that similar language is included in all Orders to endure full representation regardless of size.

Question was raised as to the definition of 3 million pound as a determinant of production size, with a feeling that the number should be higher. Hakim said this could be changed by rulemaking, but as currently defined, 3 million pounds was the threshold.

Question was raised regarding the allocation of foreign producer seats. Discussion noted that a broader mix, representing Mexico, Chile, Canada, and Serbia, as the 4 largest foreign producers, would be ideal. Further question was raised as to whether a country could be both a foreign producer and an importer. Tom responded it would require a company to be a U.S. based business to be an importer.

Discussion returned to the question of leaving a domestic producer seat vacant, and that considering future challenges for the industry the necessity of having full representation on the Board. Question was raised as to whether the Board could recommend an appointment to fill the seat if all other avenues were exhausted to find someone to represent states producing less than 3 million pounds. Hakim said this could only be done through rule making and a change in definition within the Order.

Clarification was asked regarding seat allocation as suggested by the data review. Tom said that California would increase from 1 seat to 2, Oregon would remain at 1 seat, and Washington would decrease from 5 seats to 4, with 1 seat remaining vacant. Discussion again agreed that it was important for all seats to be filled, and the Board should have the authority to recommend an appointment on a year-to-year basis. There was agreement that there weren't any other states producing raspberries for processing in any significant volume, and it was unlikely that there was a grower delivering over 20,000 pounds.

Question was raised as to whether the data as presented was absolute or could be used as a guide for a recommendation. This question was raised as the trend suggests that Oregon has become a less than 3 million pound producer. A review of data as posted on the WRRRC website shows Oregon producing less than 3 million pounds in 2016 and 2017. It was noted that both 2016 and 2017 were high production years, so the decline in production from Oregon was not a result of yield or crop loss but acreage coming out of raspberries and declining production. It was also noted that nursery sales support the conclusion that production is declining in Oregon and that Oregon has become a less than 3 million pound production state on an annual basis. Hakim said that this review was supposed to have been concluded before the end of 2017, and at that time, 2017 NASS data was unavailable. Discussion noted all available published data would be considered. There was agreement that future rule making should redefine the size of small states. Hakim reiterated the need to exhaust all resources to identify if there were other states producing raspberries for processing, and if there was a grower delivering more than 20,000 pounds. There again was discussion on using the data as presented only as a guide and to recognize relevant trends as they have occurred which should be incorporated into any discussion and action as it was clear from those on the call that Oregon has become a less than 3 million pound producer on an annual basis.

On a motion by Jonny and seconded by Mark, it was recommended that the Council be presented for its consideration by e-vote a recommendation to the Secretary that would read:

WHEREAS, data from 2014-2016 on domestic production and imports and resulting market share as presented was reviewed by the Council as required by section 1208.40(b) of the Order; and WHEREAS, the Council also considered domestic production data from 2017 as published on an industry group's website to determine whether Oregon continued to be a state producing over 3 million pounds on an annual basis or had become a state producing less than 3 million pounds; and WHEREAS, a determination was made that Oregon had become a state producing less than 3 million pounds, and should therefore represent states producing less than 3 million pounds rather than remain a state representing over 3 million pounds production; and WHEREAS, the Council had exhausted resources to determine and identify the existence of any other state producing less than 3 million pounds of raspberries for processing and had determined that none other than Oregon existed; and WHEREAS, it was the desire of the Council to fill all seats on the Board of Directors to allow full discussion on the issues that affect the processed raspberry industry.

THEREFORE, BE IT RESOLVED, that the National Processed Raspberry Council recommends to the Secretary that the thirteen seats on the National Processed Raspberry Council be allocated as follows:

1. Washington: 5 member and alternate member seats, representing domestic producers in states with production over 3 million pounds
2. Oregon: 1 member and alternate member seat, representing domestic producers in states with production under 3 million pounds
3. California: 2 member and alternate member seats, representing domestic producers in states with production over 3 million pounds
4. Importers: 2 member and alternate member seats
5. Foreign Producers: 2 member and alternate member seats.
6. At large: 1 member and alternate member seat

C. adjournment

There being no further business to discuss, the call was adjourned at 10:35 a.m. by unanimous consent.