

**Minutes
California Plum Marketing Board
December 10, 2009
Parlier, California**

Chairman Mike Jackson called the meeting of the California Plum Marketing Board to order on December 10, 2009, at 4:27 p.m. in the Nectarine Room of the Kearney Agricultural Center in Parlier, California.

Board Members Present:

Steve Boos	Mark Bybee	Rick Milton	Doug Phillips
Jack Brandt	Mike Jackson	Ken Peters	

Board Alternates Present:

Waine Aalto	Carl Buxman	Richard Sawatzky *	Kristina Unruh *
Dave Botkin	Bruce Myers *	Steve Strong	

**Seated on Board for meeting*

Board Members and Alternates Absent:

Blake Carlson	Ron Frauenheim (A)	Jim Jones (A)	David Stone
Andrew Casado Jr. (A)	Kerry Gerdtts	Jose Marin (A)	Doug Wilson
Keith Cosart	Daniel Huerta (A)	Jon Parnagian (A)	

Government Representatives:

Dennis Manderfield, CDFA

Others Present: See register at the CTFA office.

The Chairman recognized a quorum being present.

Minutes

It was moved by Mr. Bruce Myers, seconded by Mr. Mark Bybee, to approve the Joint minutes of June 11, 2009. The motion passed unanimously. [09-11]

It was moved by Mr. Bruce Myers, seconded by Mr. Steve Boos, to approve the minutes of the California Plum Marketing Board of June 11, 2009. The motion passed unanimously. [09-12]

2010 Domestic Market Development Program

The Chairman said this was the recommendation to approve the 2010 Domestic Market Development program and budget of \$1,285,000.

It was moved by Mr. Mark Bybee, seconded by Mr. Bruce Myers, to have the 2010 Domestic Market Development program and budget recommendation be sent back to the Subcommittee for further review. The motion passed unanimously. [09-13]

Compliance Subcommittee Recommendations

The Chairman indicated he would like to split up the regulatory recommendations and take the first two; the additions and deletions, and the daily packout report.

It was moved by Mr. Bruce Myers, seconded by Mr. Doug Phillips, to accept the additions and deletions for estimating purposes, as shown on the attached program action form, and to eliminate compiling the daily packout on Saturday, and compile Friday reports on Monday mornings. The motion passed unanimously. (Recommendation attached.) [09-14]

The Chairman then said he would take up discussion on the recommendation to change the plum basis from 28 pounds to 25 pounds. He noted this would be a minor amendment, which would require three-quarters vote of the Board, which is ten members. He noted one of the first things he realized about the proposal was that it would raise estimates by 10 percent due to more boxes being packed. He also expressed concern about export tariffs on a per package basis for plums. Mr. Bruce Myers added concern about box inventories.

Mr. Doug Phillips responded the crop was now coming in under 10 million, and this is not an issue, and in particular, the export tariff is a minor issue. He said, in regards to the box size, the other depths of boxes could be used for other commodities. Again, he stated these were all minor issues. He said the more important aspect is to make the commodity standardized with the other two commodities, and he noted there is hardly any plum production in other states, so there is not a competing factor against other areas. He noted when kiwis went from 23 pounds to 22 pounds it didn't work as well, but when they went to a lower weight it did work. He felt by restricting the net weights packed for two years would also help make the industry accept the 25 pound basis in a more efficient fashion.

Mr. Bruce Myers indicated on Flavor Falls he had to use a 7 ½" depth carton for the bigger fruit. He also noted that in the case of Red Beauts, 25 pounds in a box would make it look like it was only half full. He suggested some type of exemption to allow industry to use up the inventory of boxes. Mr. Jack Brandt indicated, in the case of plums and interspecific plums, several of those could stay at 28 pounds, such as Black Kat. He also thought there might be different PLU numbers assigned to some of the varieties involved. He said this would cause confusion at the retail market level. He indicated in a sense the Board is dictating to the industry that they have to pack in a Euro container if they want to pack a 28 pound net weight. He indicated some customers will still prefer a 28-pound container.

Mr. Bruce Myers observed a 25-pound container will not net the grower any more dollars. He explained the packing charges will be more on a per pound basis in a 25 pound box compared to a 28 pound box. Mr. Jack Brandt indicated retailers are also concerned about the amount of fruit that would be in a truckload, and are very sensitive to making sure they get the most weight possible in a truck. Mr. Rick Milton commented the idea of marketing 25 pound boxes at the same prices as 28-pound boxes will not work with the retailers.

It was moved by Mr. Mark Bybee, seconded by Mr. Doug Phillips, to change the plum basis from 28 pounds to 25 pounds net weight. [09-15]

The Chairman asked for discussion on the motion.

Mr. Doug Phillips commented in the case of trucks they can get more weight with an extra layer per pallet. He indicated at first he was skeptical on the kiwi change, and it turned out it made money for the industry, and they were able to keep their same price structure. Mr. Bruce Myers commented some countries will not accept interspecific plums, and they would have to be packed as regular plums. Mr. Doug Phillips said he has seen 20 pound boxes in Hong Kong, which came from China. Mr. Rod Milton commented there would not be any Chinese willing to pay the same for a box with three pounds less fruit. Mr. Marco Luna commented he did not want to hinder anyone by taking away flexibility.

The Chairman called for the question.

There were four yeas and eight nays. He declared the motion failed.

The Chairman indicated the last compliance item was to revoke the exemption to pack any net weight, and require that volume fills at between 20 and 30 pounds, be packed at 25 pounds net weight, with the exception of Euro type containers, which could be marked at 28 pounds.

It was moved by Mr. Bruce Myers, seconded by Mr. Ken Peters, to deny the recommendation to restrict volume fills at 25 pounds. The motion passed with nine yeas and one nay. [09-16]

CTFA Policy Manual

The Chairman explained this was the modification to the travel guidelines.

It was moved by Mr. Bruce Myers, seconded by Mr. Richard Sawatzky, to adopt the CTFA Policy Manual as modified. The motion passed unanimously. [09-17]

Subcommittee Chair/Vice Chair Membership Requirement

The Chairman indicated this was the recommendation to rescind the 2003 requirement that the Chairperson or Vice Chairperson of a subcommittee had to be a member or alternate of one of the Boards or Committees.

It was moved by Mr. Richard Sawatzky, seconded by Mr. Bruce Myers, to adopt the recommendation to rescind the 2003 action. [09-18]

Mr. Mark Bybee stated he did not feel there should be a potential opportunity for a non-grower to be on the Executive Committee, which might happen if this requirement were rescinded. He indicated those that go to the Executive Committee and represent a Subcommittee should be in that capacity as by having been voted on by the growers at large to get into that position. Mr. Rick Milton concurred, indicating they should keep the current requirement.

The Chairman called for the vote.

There were four yeas and five nays, and the Chairman declared the motion failed.

Nomination Meetings and Ballots

The Chairman stated nomination meetings had been conducted in November and ballots will be mailed to the industry on January 4, 2010. The new board members will be approved by CDFA and seated at the Spring meeting on April 29, 2010.

Interspecific Plum Review

The Chairman reminded there was a meeting in June, which had a lengthy discussion on interspecific plums. He indicated one of the results of that discussion was for CTFA staff to conduct a voluntary estimate for interspecific plums this spring.

Board Vacancy

Mr. Van Sickle explained the Kern district had just one member and one alternate, who had recently resigned that position. He indicated Mr. Gene Coughlin is an associate of Mr. Paul, who resigned, and is willing to fill the vacancy. He indicated since the Board will be having discussions at the February 2010 meeting on assessment rates and budgets, the Kern District should have an opportunity to have at least one of their representatives at the February meeting, indicating it was difficult for Mr. Jose Marin to attend the meetings.

It was moved by Mr. Rick Milton, seconded by Mr. Jack Brandt, to recommend that CDFPA appoint Mr. Gene Coughlin to the CA Plum Marketing Board as an alternate for the Kern District. The motion passed unanimously. [09-19]

Issues to Discuss at Future Meetings

The Chairman asked if there were any issues to discuss at future meetings or other business. Hearing none, he asked if there was a need for a closed session. Hearing none, he adjourned the meeting at 5:01 p.m.

Respectfully submitted,



Cassie Drake
Category Research Specialist

CD/ss
Attachments

Action Item

COMMITTEE/BOARD MEMORANDUM

Date:	December 10, 2009
To:	CA Plum Marketing Board (CPMB)
Through:	Compliance Subcommittee
From:	Gordon Wiebe, Compliance Subcommittee Chairman Gary Van Sickle, Director of Research and Regulatory Compliance
Subject:	Joint Agenda Item 7.a.i. – Additions/Deletions CPMB Agenda Item 4.a.i. –

Background

The following addition and deletion recommendations for the 2010 season were approved by the Compliance Subcommittee on November 3, 2009.

Recommendations

1. Add the following plum varieties that exceeded 10,000 packages in 2009 to the list of varieties to be estimated:

Variety	Volume	Starting Date
Black Magic	>10,000	06/01
Crimson Diamond	>10,000	06/17
Ebony Diamond	>10,000	08/16
Ebony Giant	>10,000	07/16
Ebony Jewel	>10,000	05/16
Flavor Wynne	>10,000	06/15
Majestic	>10,000	06/01
Prima Black 5	>10,000	08/11
Purple Majesty	12,152	06/15
Sugar Heart	>10,000	07/30
Sugar Jewel (K)	>10,000	05/06
Suplumthirtysix	>10,000	08/20

2. Delete from specific estimates the following varieties with less than 5,000 packages in 2009 and estimate under the “Others” category:

Variety		
Big Daddy	Passion	Red Giant
Black	Prima Black	Rich Red
Dapple Dandy	Prima Rosa	Spring Beaut
French Prune	Queen Rosa	Sugar Jewel

Action Item

COMMITTEE/BOARD MEMORANDUM

Date:	December 10, 2009
To:	CA Plum Marketing Board (CPMB)
Through:	Compliance Subcommittee
From:	Gordon Wiebe, Compliance Subcommittee Chairman Gary Van Sickle, Director of Research and Regulatory Compliance
Subject:	Agenda Item 7.a.iv.(1) – Change the plum basis from 28 lbs. net weight to 25 lbs. net weight – Minor Amendment requiring $\frac{3}{4}$ vote of the Board CPMB Agenda Item 4.a.iii. –

Background

Historically, volume filled plum containers have been packed at a net weight of 28 lbs., which was based on the approximate weight in the old 4-basket crate packing style. For the past 15 years there have been suggestions from various handlers in the industry that the basis for plums should be changed from the 28 lb. basis to a 25 lb. basis, which would make plums equivalent to the 25 lb. basis that is used for peaches and nectarines. This change would be considered a minor amendment, as the plum marketing order specifies the basis for assessment is 28 lbs. For a basis of 25 lbs., the assessment would be capped at \$0.1785, down from the current \$0.20. The order also has caps on several components, which would be modified based on the change to a 25 lb. basis.

Proposed Minor Amendment Language California Plum Marketing Program

Article VIII, Section A, Paragraph 3 would be amended as follows:

3. The total rate of assessment which the Board may recommend shall not exceed the maximum permitted by the Act and shall be recommended in component form based on the activities authorized under this Marketing Program at levels not to exceed the following: ~~eleven 9.82~~ **9.82** cents (~~\$.44~~**0982**) per ~~twenty-eight~~ **twenty-five (28 25)** pound box for Sales Promotion and Market Development activities; ~~two 1.78~~ **1.78** cents (~~\$.02~~**0178**) per ~~twenty-eight~~ **twenty-five (28 25)** pound box for Research and Survey activities; and ~~seven 6.25~~ **6.25** cents (~~\$.07~~**0625**) per ~~twenty-eight~~ **twenty-five (28 25)** pound box for Quality Standards and Inspection activities. The component assessment rates per box shall be adjusted to be equivalent for boxes with other net weights.

Recommendations

It was recommended by the Compliance Subcommittee to change the plum basis from 28 lbs. net weight to 25 lbs. net weight. This change is a minor amendment, which requires $\frac{3}{4}$ of the Board voting in favor of the change.