

**Minutes  
Executive Committee  
Tuesday, December 1, 2009  
Reedley, CA**

Chairman Michael Reimer called the meeting of the Executive Committee to order on Tuesday, December 1, 2009, at 12:22 p.m. in the Conference Room of the California Tree Fruit Agreement in Reedley, California. Chairman Reimer recognized a quorum present.

**Committee Members Present:**

Bill Chandler	Rod Milton	Justin Parnagian
Mike Jackson	George Nikolich	Mike Reimer
		Gordon Wiebe

**Committee Members Absent:**

Rick Jackson	Jim Stewart
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**Government Representatives:**

Jerry Simmons, USDA

**Others Present:**

Ted Avena	Dale Janzen	Gordon Smith
Cassie Drake	Sheri Mierau	Gary Van Sickle

**Minutes**

The Chairman indicated he would entertain a motion to approve the minutes of the November 18, 2009, meeting.

*It was moved by Mr. Gordon Wiebe, seconded by Mr. Bill Chandler, to approve the meeting minutes of November 18, 2009. The motion passed unanimously.*

**2010 Budget/Assessment Review**

Ms. Mierau indicated there were four options that were well received, and she included those in the agenda today. She reviewed the various scenarios presented. She noted the budget was on the conservative side since it is fall, and the crop is unknown at this time. Mr. George Nikolich indicated he preferred the scenario with the total crop of 46 million and a 9% carry-forward. Ms. Mierau reminded that the state programs can lower their assessment rates in April, if necessary. The Chairman questioned that while the Committees and Boards were mandated to carry forward at least 5%, how far could the crop size decrease before it would cause a hardship on the proposed budget. Ms. Mierau indicated it should be able to decrease to 44 million without severely impacting the program. The Chairman also indicated adjustments could be made in June, if needed, in order to create savings if the crop is short.

*It was moved by Mr. Gordon Wiebe, seconded by Mr. Bill Chandler, to recommend to the Committees and Boards to use the budget of 46 million for the crop, with a projected 9% carry-forward and a federal assessment of 2.6 cents for peaches and 2.8 cents for nectarines. The motion passed unanimously.*

## Endowment Task Force Update

Ms. Mierau reported the Endowment Task Force held a teleconference meeting earlier today, which resulted in one line being added to the background paper. She informed that at the last meeting there had been a question as to the priorities for researchers, and pointed out the response from Dr. Ted DeJong, which provided clarification as to the priority only being to the endowed position. Ms. Mierau also informed the group there is a Washington Tree Fruit Research Commission, which is an entity group in the state of Washington that includes several staff members who do research for the industries there. She noted there are several other options that need to be reviewed.

Based on discussion during the Endowment Task Force teleconference, the Chairman said this is one of the mechanisms that will lead to other areas/ideas to be reviewed for alternatives to research. He indicated he would like this brought up at the fall meeting during the discussion on the endowment. In response to a question from Mr. Mike Jackson regarding the cost for researchers on various projects, the Chairman clarified the industry does not get charged directly for the main researcher but gets charged for the support staff, and also noted in the case of an endowment, it should result in a reduction of \$42,000 on the research budget. Mr. Bill Chandler also clarified the research funding does not pay for the principal investigator's salary, as it only covers assistants and materials needed to carry out projects. The Chairman explained in proposals given to CTFA for funding consideration, the researchers have one page that acts as a budget page for their project and is where they can list the cost of their assistants, materials, supplies and travel, etc. Mr. Bill Chandler indicated one of the benefits of the endowment is that it provides some security to the Principle Investigator in the hiring and maintaining of his assistants from year to year. Ms. Mierau pointed out that with soft money, funding can dry up after one year, but the endowment provides the ability to offer more longevity in the hiring process and retention of assistants.

The Chairman pointed out that even with an endowment, there is no guarantee the University will be hiring someone to fulfill the position. Only that the industry is supposed to have a priority in the filling of the position. The Chairman also commented U.C. Davis will lose a significant number of researchers in the next few years due to retirements. Mr. Rod Milton indicated one of the areas of concern for the industry involves invasive pests, and pointed out that Walt Bentley and Kevin Day have been outstanding spokespersons for these type of matters, and noted neither of them is a Ph.D. He reminded the group as to the need to review these types of potential situations in the overall process.

Mr. Mike Jackson commented governmental funds will become tighter in the future. Mr. Gordon Wiebe asked what the cost of the endowment might be in five years if it takes that long for the industry to accumulate the funds. There was also concern expressed for the current economic return on the investment value of the endowment. Mr. Bill Chandler explained the University has professional managers who manage the endowment funds, and they attempt to get the best return possible.

The Chairman indicated the background paper and information will be presented to the full Boards and Committees at the December 10 meeting and after the presentation, he will facilitate the discussion. He said the end result will be to get consensus as to whether the industry should continue looking at the endowment or not. Mr. Mike Jackson also acknowledged it might take five years to accumulate the funds needed and questioned how much the assessment would need to be raised to come up with \$200,000 per year. Ms. Mierau responded it would only be a fraction of a cent. In a response to a question from Mr. George Nikolich regarding a solicitation of research, the Chairman explained a request for proposals (RFP) is provided to Scott Johnson, who is the stone fruit liaison from the University, and he distributes the proposal package to all potential stone fruit researchers within the U.C. system and to other institutions if they are known as potential researchers. Mr. Van Sickle indicated he also sends it to other researchers who may not get it through the U.C. channels. Ms. Mierau stated the background paper, along with the budget information, would be sent under separate cover to the industry in the next couple days. Mr. Mike Jackson said he felt research is a major component and one of the primary areas of CTFA activities, which also includes advocacy, issue management and international promotion utilizing MAP funds. He indicated these

activities provide good value for the industry. The Chairman also indicated it would be necessary for all of the Boards and Committees to move in concert on this as much as possible. Ms. Mierau also reminded of the cap on plum research spending, which might limit their involvement in the endowment process.

**Issues to Discuss at Future Meetings**

The Chairman asked if there were any items to discuss for future meetings. Hearing none, he asked if a closed session was necessary. Ms. Mierau answered affirmatively.

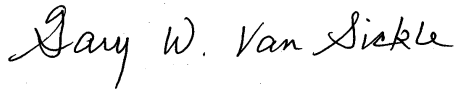
**Closed Session**

The closed session commenced at 1:10 p.m.

**Return to Open Session**

Chairman Reimer reconvened the open session of the meeting at 1:30 p.m. Chairman Reimer announced that Ms. Mierau had tendered her resignation during the closed session. The meeting adjourned at 1:31 p.m.

Respectfully submitted,



GARY W. VAN SICLE  
Director, Research and Compliance

GWV/ct