

U.S. Highbush Blueberry Council
Meeting Minutes
October 6, 2007

USHBC Chairman Mark Hurst called the meeting of the U.S. Highbush Blueberry Council to order at 8:10am on Saturday, October 6, 2007. The following USHBC members, as well as USDA representative Rafael Manzoni and USHBC staff members Mark Villata and Mary Nezbeth, attended the meeting, held at the Crowne Plaza Northstar, in Minneapolis, Minnesota:

Roy Malensky (Region 1 Alternate)	Mark Hurst (Oregon)
Beverlee DeJonge (Region 2)	Neil Moore (North Carolina Alternate)
Art Galletta (Region 3)	Adair Chambers-Peterson (Georgia)
Ken Patterson (Region 4)	Rod Cook (Washington)
Bob Carini (Michigan)	Keith Mixon (Importer Alternate)
Tim Wetherbee (New Jersey)	Kirk McCreary (Public Member)

The first order of business was the approval of the minutes from the last Council meeting held on March 3, 2007. Minutes had been mailed to members and alternates following the March meeting. Beverlee DeJonge moved, with a second from Art Galletta, to approve the minutes as written. The motion carried.

The second agenda item was an update from the USDA Agricultural Marketing Service (AMS). Rafael Manzoni discussed the visit made by Amy Howell, Ruth Lowenberg and Mark Villata on September 6 to the USDA offices to discuss blueberry health research and how to use health related information in market promotion materials. He noted that the meeting resulted in some good discussions and a better appreciation of the health research conducted by the USHBC. The meeting also provided attendees with direction for future health related statements and could lead to a similar meeting with representatives of the Food and Drug Administration later this year. Manzoni also mentioned the recent resignation by U.S. Secretary of Agriculture Johanns, who will be running for a Congressional seat, and noted that Mr. Chuck Connor will be the acting Secretary until a final replacement is selected. In closing, Manzoni stated that a formal press release naming the newly seated USHBC members and alternates should be issued within the next few weeks. Villata reported that the newly appointed members will be Denny Doyle, Neil Moore, Doug Krahmer and Paul Macrie. Newly appointed alternates will be John Bennett, Tim Wetherbee, Ralph Carter Jr., Ryan Brown and Guy Cotton. Newly elected and reappointed members and alternates will begin their three-year terms on January 1, 2008.

The third item of business was an update on current USHBC activities. Villata reported that revised by-laws concerning expenses had been sent to USHBC members and alternates and the USDA this past June. Revisions concerned the amount to be reimbursed for automobile travel when air travel is less expensive, approval of Executive Director expense claims, and providing the option for the USHBC to reimburse on a per diem basis in place of actual meal reimbursement. Revised by-laws are attached to these minutes as Exhibit #1 (revisions in bold, underlined type). Beverlee DeJonge moved, with a second from Adair Chambers-Peterson for USHBC acceptance of the by-law revisions and the motion carried. Villata also noted that, based on actions taken by

the USHBC Industry Relations Committee, the USHBC election procedure and timeline had been modified as noted in Exhibit #2. This revised procedure will now be included as an addendum to the USHBC by-laws.

Villata provided a brief update on the next steps to be conducted on the updated strategic plan. A revised plan, based upon results of the strategic planning session conducted on October 4, was distributed to members. Based on this final plan, USHBC committees will be asked to review the strategic goals that they have been assigned, to place these strategic directives in priority order, and discuss how they will attain these goals. Committees are asked to complete this process by our next Council meeting this coming March. Villata then provided an update on actions taken to develop tariff codes for dried blueberries and blueberry juice concentrate. He noted that in June a survey was sent to dried blueberry and blueberry juice suppliers to determine the amount of product produced and its value. Based on survey response, a USHBC request letter for dried cultivated blueberry and cultivated blueberry juice concentrate tariff codes was sent to the U.S. International Trade Commission on July 23 with their requested background information: *Estimated Amount of Product Produced; Estimated Value; Estimated Number of Suppliers*. On August 1, we received a request for an electronic copy of the USHBC letter for distribution to Tariff Committee members. Our letter has now been sent to the Tariff Committee for review and comment. We expect to have a decision on our request by mid October.

The Council then discussed the possibility of having USDA add process blueberry figures to their USDA Market News Service reports. Art Galletta noted that the USDA is not tracking process figures in New Jersey and asked if this type of reporting is taking place in other states. It was the consensus of the group that Market News tracks daily fresh figures but that daily data for process is not available and would be valuable information for our industry. The Council asked staff to draft an email to the USDA AMS Research & Promotion Branch noting the importance of daily process figures and requesting assistance in moving our request for this data through the proper channels at USDA.

The fourth item of business was an update on the USHBC acreage survey. Villata reported that responses to the acreage survey questionnaire to date have been limited causing a delay in project completion. Completion date has now been moved to February 2008. Cort Brazelton will present the report at our next meeting with data through the 2006/07 season for the southern hemisphere and data through 2007 for northern hemisphere production regions. Brazelton is asking for some help in gathering data. Meeting attendees were provided with copies of both the North American and World Production questionnaires and were asked to complete appropriate surveys and send them to Brazelton at their earliest convenience.

Committee reports and recommendations were the fifth item of business. Chairman Hurst asked USHBC Promotion Committee Chairman Kirk McCreary for his committee update. McCreary reported that his committee had reviewed market promotion and publicity activities to date and proposed plans for 2008. He asked Kathy Blake from Lewis & Neale Public Relations to provide an overview on the consumer and foodservice campaign. Blake provided an update noting results from print media efforts, our health professional outreach program, print materials, radio and television placements, website updates, our expanded foodservice program and our youth program. Results of expanded winter season programs funded through a donation from Chilean blueberry growers were also presented. Blake then presented the proposed consumer and

foodservice publicity campaign for 2008. Many of the basic elements of the 2007 program were included in the 2008 plan with the addition of a media spokesperson to be featured in print, radio, television and online coverage as well as serving as a blueberry representative at public appearances and trade shows; participation in the 2008 National Chicken Council Food Editors Conference; expanded media efforts to facilitate stories about the blueberry industry and individual grower families in regional magazines and local newspapers; a blueberry segment on the PBS program "Chefs a Field: Kids on the Farm", an educational series for families with 14 million viewers and aired on PBS stations for five years; and the development of an E-Newsletter for blueberry distributors and wholesalers which will be sent quarterly to USHBC handlers for distribution to their contacts. Blake noted that contingency plans are in place for an expanded 2008 winter program should the USHBC receive a donation again this year.

McCreary then asked Tom Payne from TJP Market Development to provide an update on his food manufacturer publicity activity. Payne noted blueberry usage patterns by food manufacturers, new product development and the recent decline in the use of artificial blueberries in favor of real blueberries as a key ingredient. He then discussed a proposed plan for 2008. As was the case with consumer and foodservice publicity, many of the basic elements of the 2007 food manufacturer publicity campaign are reflected in the 2008 program. New activities for 2008 include participation in the 2008 "Bakery Showcase Canada" to encourage Canadian bakers to source highbush blueberries as an alternative to their current dependency on lowbush berries, and a "webinar" on-line blueberry seminar for food processors in cooperation with Prepared Foods Magazine.

He then briefly discussed export market promotion activities and plans for 2008. As the 2008 plan will be funded entirely with USHBC funds, we are allowed the flexibility of conducting more regionally based activities in the coming year in Asia and Northern Europe, with the bulk of the export market promotional funding slated for these two regions. Basic maintenance activities are planned for Japan and Korea while more aggressive activities are planned for Taiwan and the United Kingdom.

McCreary then completed the Promotion Committee report noting that his committee had discussed results of our recent visit to USDA, noted earlier by Rafael Manzoni, and his committee now feels we will have a better mutual understanding of the type of health messages we can use in our materials. He reported that his committee had developed a promotional agency policy that will assist us in considering requests by other organizations wishing to secure the services of our promotional agencies and will include this policy, as detailed in Exhibit #3 of these minutes, as an attachment to the USHBC by-laws. Art Galletta moved to accept this policy. Beverlee DeJonge gave here second to the motion and the motion carried.

McCreary reported that his committee will field a consumer usage and attitude study in 2008. Results will be compared to findings from a similar study conducted in 2004. His committee will allocate \$45,000 to market research in 2008 and will also consider a possible price elasticity study proposed by Hebert Research in addition to this basic consumer study. A decision will be made once a final proposal and budget for this additional work is received from Hebert Research. Funding for this additional study would come from market promotion reserve funds. Based upon a review of promotional proposals for the coming year the committee recommends a 2008 Market Promotion and Publicity budget totaling \$1,475,000 allocated as follows: Consumer and

Foodservice Publicity \$675,000; Food Manufacturer Publicity \$285,000; Export Market Promotion \$175,000; Magazine Advertising \$150,000; Market Research \$45,000, Campaign for Children's Health \$10,000; and Reserve \$135,000. He noted that we will also carry \$100,000 in the budget to cover possible donations from Chile and Argentina for expanded winter promotions. With this addition, the 2008 budget would total \$1,575,000. McCreary also reported that his committee has scheduled a meeting in Dallas, Texas the first week of February 2008 to discuss and prioritize the strategic plan directives that have now been assigned to the committee and to consider future program direction. Tim Wetherbee moved for acceptance of the Promotion Committee report. Rod Cook gave his second to the motion and the motion carried.

Chairman Hurst then asked Art Galletta for a report from his Finance Committee. Galletta provided an update on final 2006 domestic crop assessment collections noting that the USHBC had collected a total of \$1,526,682 on last year's crop, which represents collections on 95% of the total U.S. highbush blueberry crop. Collections from the Western region came in at 96% of their crop; Midwestern collections represented 99% of their crop; 89% of the Southern crop was collected and assessments were received on 91% of the Northeastern crop. He also reported that the USHBC had received a total of \$409,137 in import assessments through August of 2007, and we expect to meet our projection of \$550,000 in calendar year 2007 assessments by year-end. He stated that his committee had reviewed current cash position, anticipated additional funds to year-end, accounts payable and remaining budget expenditures to December 31 (see Exhibits #4 and #5) and based on this review projects a total of \$2,855,551 available to fund activities in 2008 (see Exhibit #6). Based on this total, the Finance Committee recommends a 2008 budget allocated as follows (see Exhibit #7):

Market Promotion and Publicity	\$1,575,000
Research	\$ 285,200
Industry Relations	\$ 44,500
Food Safety	\$ 75,000
USHBC Program Fees	\$ 131,000
General Expenses	\$ 84,226
Administration Expenses	\$ 273,417
Travel and Meeting Expenses	\$ 102,860
<u>Uncommitted Reserve</u>	<u>\$ 284,048</u>
TOTAL	\$2,855,551

Galletta recommended acceptance of the budget. Beverlee DeJonge moved, with a second from Roy Malensky to accept the budget as presented at a total of \$2,855,551. The motion carried.

Galletta noted that his committee had discussed audit options for 2007 and recommends that the Council continue with the current audit firm of Tate, Propp, Beggs and Sugimoto (TPB&S) to conduct this year's audit. Beverlee DeJonge moved, with a second from Tim Wetherbee, to select TPB&S as our audit firm again in 2007. The motion carried. At the conclusion of his report, Galletta noted that his committee discussed conducting another internal audit of the USHBC offices including visits with El Dorado Savings, where the USHBC conducts its banking, and a visit with TPB&S. Lorrie Merker and Mark Hurst conducted a similar audit two years ago. Beverlee DeJonge moved, with a second from Tim Wetherbee, that the USHBC conduct another internal

audit. Lorrie Merker and Mark Hurst would once again conduct this audit with their expenses covered out of the USHBC travel budget. The motion carried.

Mike Mainland, USHBC Research Committee member, provided the Research Committee report. He noted that the National Institute of Standards and Technology (NIST) blueberry standardization project continues with the collection of nutraceutical information for blueberries now taking place. The NIST standard is expected to be completed this coming year. He reported that the *Berry Health Symposium* held in Corvallis, Oregon this year was once again a successful means to gather blueberry researchers, create a dialogue among the scientific community and encourage continued berry health research. The next symposium will be held in Monterey, California in 2009 and the newly formed National Berry Crop Initiative (NBCI) will take an active role in coordinating the event. The USHBC Research Committee plans to provide the NBCI with suggestions on how to generate increased media coverage of the event. Mainland discussed the USHBC Blueberry Research Bank and said that the committee believes it currently has an ample supply of both frozen and freeze-dried blueberries for the coming year, however an analysis is planned on the freeze-dried powder to determine if there has been any loss in nutrients. He also noted that the committee believes that the USHBC should develop a blueberry placebo for use in future human feeding trials. Costs for placebo development could be around \$35,000 and is beyond 2008 budget allocations. The committee will obtain a bid for this project and bring it to the Council at our next meeting for funding consideration.

Mainland reviewed the four new health research projects and provided progress updates on the six continuing projects (see Exhibit #8). The committee has been pleased with progress made on these projects to date. He noted the upcoming Pennington study on diabetes, which will be one of our first fairly extensive human feeding trials, and that the committee will also expand upon current vision work being conducted by Dr. Kalt. Mainland mentioned that the committee had discussed blueberry/drug interactions given the recent findings related to grapefruit juice and cumadin. His committee would like to determine if there are any potential blueberry interactions and will allocate \$25,000 to this project. The committee will also put together a blueberry study matrix to review current research and see what the most promising research areas are, as well as develop a bibliography on blueberry research.

His committee had also discussed how to publicize the blueberry health message and recommends that Lewis & Neale put together a list of acceptable statements based on the recent meetings with the USDA. This list could be published in an edition of *The Bluespaper* providing background information for industry use. He also noted that there are plans to meet with the FDA on this topic, as well as to discuss possible qualified health claims.

Given current budget allocations for 2008 and the potential new projects that merit consideration, the Research Committee asks that the Council consider allocating an additional \$100,000 to the Research Budget when the Council meets again this Spring in Vancouver and considers additional allocations based on final 2007 crop collections. The Council agreed with this request and Kirk McCreary moved, with a second from Adair Chambers-Peterson, that the Research Committee be allocated \$100,000 in additional funds when the Council meets in March, if there is an allocation of any additional dollars to the 2008 budget. The motion carried. Mike Mainland then moved, with a second from Art Galletta, for acceptance of the USHBC Research Committee report and recommendations. The motion carried.

Chairman Hurst then asked Ken Patterson to provide the USHBC Industry Relations Committee report. Patterson reported that his committee had discussed ways to recruit new members. One suggestion was to add an Industry Relations column to *The Bluespaper* that would provide information for growers from various regions. Letters of welcome to new growers and industry members attending USHBC meetings will be considered as well. It is also suggested that Mark Hurst, Dave Brazelton and Mark Villata look into the participation of the USHBC in possible international blueberry grower meetings that could be held in conjunction with the *International Vaccinium Conference*. The committee also recommends that staff develop an email database of grower and handlers. Permission to use an email address and privacy will be of up most importance. Email addresses would allow for electronic distribution of *The Bluespaper* and any other information of immediate importance to the industry. The committee will also provide staff with addresses of additional blueberry related organizations to add to *The Bluespaper* and the USHBC mailing lists.

He noted that the committee had reviewed the current blueberry acreage survey progress report from Cort Brazelton and recommends that staff contact Brazelton to see where he is lacking data and offer assistance in trying to obtain blueberry information from those regions. The committee had also discussed the current status of establishing tariff codes for dried blueberries and blueberry juice concentrate and expects to hear from Washington D.C. in the coming weeks. His committee had also discussed continued sponsorship of the Southeast Fruit Growers Conference in Savannah, Georgia this January and once again will donate \$250 to this event. Patterson also noted that his committee had discussed the blueberry video produced by Nancy O'Mallon and asks that staff contact her to see what funding she would need to produce additional videos covering the history of blueberry cultivation.

Patterson reported that his committee had considered candidates for the USHBC Executive Committee positions and recommends the following slate of officers:

Art Galletta- *Chairman*
Bob Carini- *Vice Chairman*
Parm Bains- *Treasurer*
Neil Moore- *Secretary*
Mark Hurst- *Past Chairman*

Rod Cook moved to accept this slate of candidates. Tim Wetherbee gave his second to the motion and the motion carried. These five officers will assume their duties on January 1, 2008.

The Industry Relations Committee had also discussed the crisis plan and how best to get this information out to the blueberry industry. The possibility of developing a PowerPoint presentation that can be used to educate growers and industry members about the crisis plan will be explored. Upon conclusion of Patterson's report Bob Carini moved, with a second from Tim Wetherbee, to accept the report and recommendations of the Industry Relations Committee. The motion carried.

Chairman Hurst asked for the final committee report of the day from the newly established USHBC Food Safety Committee. Chairman Keith Mixon provided his committee report noting that his group had developed a mission statement which reads as follows: *The USHBC Food Safety Committee will work to maintain consumer confidence and ensure that consumers receive a safe,*

wholesome product. It will assist the highbush blueberry industry, through information and education, in achieving this objective. The USHBC Food Safety Committee educates growers and handlers about best practices and regulations governing safe food production. The committee provides a framework for the industry's individual quality control programs while investigating methods to ensure that highbush blueberries remain a safe, high quality product. The committee will provide food safety program information to the highbush blueberry industry by translating federal food safety regulations and suggested food industry practices into practical, applicable steps for the highbush blueberry industry.

Mixon reported that as a first step the committee plans to review and then distribute existing DVD's covering food safety issues and suggested procedures to those on the current USHBC grower and handler mailing lists. The DVD will be accompanied with a cover letter from the USHBC Food Safety Committee outlining our goals. The committee also plans to place an article in an upcoming issue of *The Bluespaper* discussing the importance of food safety and the mission of the USHBC Food Safety Committee. A plan is also in place to issue a survey to the industry to determine current food safety practices so that we can develop an overview of food safety practices and see what areas we may need to address. Considerable discussion was given to the development of industry standards. As the USHBC is a national research and promotion program, it has limitations in what it can do in the area of food safety. Under USDA rule, the Council can provide information and promote industry standards, however if any measurable standards were to be adopted for the highbush blueberry industry those standards would have to be developed by the North American Blueberry Council and not the USHBC. The USHBC cannot enforce standards, but it would be allowed to publicize and promote these specific NABC standards to the industry. Based on these requirements, the USHBC Food Safety Committee discussed how it could act as a resource for the NABC and how it could review and address existing industry standards and recommend consideration of any new standards or suggested revised standards to the NABC. It was the consensus of many in attendance that the NABC should take an active and immediate role in developing future standards related to food safety

Mixon told the Council that his committee is soliciting bids from consultants who can conduct a risk analysis for blueberries. Analysis will cover fresh (both machine and hand pick) and process. Analysis will cover the Northeast (New Jersey), Midwest (Michigan), West (Oregon) and South (North Carolina or Georgia). Data from our USHBC survey will be of assistance in helping to direct this analysis. The goal is to have this analysis completed by this time next year.

He also noted that his committee feels that it is important to offer media training for those individuals involved in the crisis plan teams as well as possible media training or a media presentation given to USHBC members, alternates, committee members and industry members in general at a future USHBC Fall or Spring meeting. Upon conclusion of the report Kirk McCreary moved, with a second from Roy Malensky, to accept the report and recommendations of the USHBC Food Safety Committee. The motion carried. Rod Cook suggested that, once media training has been completed, the Committee consider scheduling a mock trial of the crisis plan.

The next agenda item was the announcement of the time and place of the next USHBC meeting. Villata reported that the next USHBC meeting is scheduled for Friday, February 29 and Saturday, March 1, 2008 at the Pan Pacific Hotel in Vancouver, British Columbia.

The meeting was then open to other business. A discussion on running concurrent committee meetings followed with some in attendance noting a desire to attend all committee meetings. Time constraints to cover all necessary committee activities were discussed and the decision was made to now begin USHBC meetings on Thursday afternoons, immediately following the NABC Board Meeting, followed by meetings all day on Friday and all day Saturday (if necessary). The USHBC will begin following this schedule at the next meeting in Vancouver and no concurrent meetings will be scheduled.

A discussion concerning increased blueberry production followed and it was the consensus of the group that, given projections of future California blueberry production, the USHBC should consider adding a position on the Council for the 7th largest highbush blueberry production state. This action would expand USHBC membership from 14 to 15 members. Discussion of how many more seats might be added in the future followed. Adding a 7th seat at this time would allow a position for those states that combined represent over 90% of U.S. highbush blueberry production. Given the goal of having USHBC representation from major growing areas Kirk McCreary moved, with a second from Rod Cook, that the USHBC work with the USDA in taking the necessary steps to add a member and alternate from the 7th top producing state. The motion carried.

Discussion concerning international grower meetings followed and Mark Hurst suggested that an annual “webinar” for international blueberry representatives be considered as a cost effective means to accomplish the goals of an international meeting. Staff will explore this option. As a final item of business Art Galletta gave thanks to Mark Hurst for all the hard work and direction he has given to the USHBC and expressed his appreciation for his foresight in encouraging the adoption of the USHBC program. Those in attendance echoed Galletta’s thoughts and offered their appreciation as well.

There being no further business Adair Chambers-Peterson moved, with a second from Art Galletta, to adjourn the meeting. The motion carried and the meeting was adjourned at 12 noon.