

**U.S. Highbush Blueberry Council**  
**Meeting Minutes**  
**October 17, 2009**

USHBC Vice Chairman Bob Carini called the meeting of the U.S. Highbush Blueberry Council to order at 9:15am on Saturday, October 17, 2009. Before starting the meeting Vice Chairman Carini asked those in attendance to observe a moment of silence in honor of Anita Galletta who passed away on September 19.

Following the moment of silence, the first order of business was roll call by USHBC Secretary Neil Moore. The following USHBC members, as well as USDA representative Jeanette Palmer and USHBC staff members Mark Villata and Mary Nezbeth, attended the meeting, held at Benson Hotel in Portland, Oregon:

Verne Gingerich (Region 1)	Adair Chambers-Peterson (Georgia)
Ron Bodtke (Region 2 Alternate)	Doug Krahmer (Oregon)
Ken Patterson (Region 4)	Kirk McCreary (Public Member)
Bryan Sakuma (Washington Alternate)	John Shelford (Importer Member)
Bob Carini (Michigan)	Guy Cotton (Handler Alternate)
Denny Doyle (New Jersey)	Parm Bains (Exporter Member)
Neil Moore (North Carolina)	

The second order of business was the approval of the minutes from the last Council meeting held on February 28, 2009. Minutes had been mailed to members and alternates following the February meeting. Denny Doyle moved, with a second from Verne Gingerich, to approve the minutes as written. The motion carried.

Agenda item three was the selection of USHBC Chairman and Officers for 2010. Ken Patterson, USHBC Industry Relations Committee Chairman, reported that his committee had reviewed the slate of officers and recommends that the current group remain as the USHBC officers in 2010:

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

Ken Patterson moved, with a second from Doug Krahmer, that the current USHBC officers continue serving in their present positions in 2010. The motion carried.

The fourth agenda item was an update from the USDA Agricultural Marketing Service (AMS) by Jeanette Palmer. Palmer reported that the newly nominated USHBC regional members and alternates as well as importer, exporter and public member are currently in the clearance process by the USDA and an announcement could be made by year end. An announcement on the two newly added importer positions will follow and could be made prior to the next USHBC meeting.

The proposed rule on the USHBC assessment increase is also now in the clearance process and awaiting final publication in the Federal Register. A date for publication has not been reported to USDA AMS to this point.

Agenda item five was an update on USHBC regional and public member appointments and recommended candidates for the revised importer and exporter positions. Ken Patterson reported that in July of 2009 the USHBC completed the required review of production figures from 2006 to 2008 and, based upon this review, found that the Council needs to add two additional importer members (along with two alternates for these new positions) which brings total USHBC membership to 16 allocated as follows:

- 10 Producers (6 from top six states and 4 regional members)
- 3 Importers
- 1 Exporter
- 1 Handler
- 1 Public Member

By email vote of USHBC members on August 10, 2009 the Council moved that it recommend that the U.S. Department of Agriculture adjust USHBC membership to reflect this new total of 16 members. Based on this addition the Industry Relations Committee has recommended the following nominees for USHBC Importer, Exporter and Public Member for the January 1, 2010 to December 31, 2012 term:

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| • USHBC Exporter Member-<br>Exporter Alternate-     | Felipe Juillerat (Vitalberry Marketing, Chile)<br>Nicolas Moller (Hortifut, Chile) |
| • USHBC Importer 1 Member-<br>Importer 1 Alternate- | Stan Crafton (Giumarra/VBM International)<br>John Shelford (Naturipe Farms)        |
| • USHBC Importer 2 Member-<br>Importer 2 Alternate- | Francisco Allende (Sunny Valley International)<br>Janice Honigberg (Sun Belle)     |
| • USHBC Importer 3 Member-<br>Importer 3 Alternate- | Parm Bains (Parsat Enterprises)<br>Ray Biln (Biln Farms)                           |
| • USHBC Public Member-<br>Public Member Alternate   | Kirk McCreary<br>Amy Howell  |

Patterson also reported that based on grower elections this year the following individuals have been elected to USHBC regional member positions for the 2010 to 2012 term:

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| • Region 1 Western Member<br>Region 1 Alternate      | Verne Gingerich (Oregon)<br>Robert Ditchen (Oregon)    |
| • Region 2 Midwestern Member<br>Region 2 Alternate   | Ron Bodtke (Michigan)<br>Shelly Ann Hartman (Michigan) |
| • Region 3 Northeastern Member<br>Region 3 Alternate | Art Galletta (New Jersey)<br>Dave Arena (New Jersey)   |
| • Region 4 Southern Member<br>Region 4 Alternate     | Keith Mixon (Florida)<br>Daniel Ebbecke (Florida)      |

Ron Bodtke moved, with a second from Verne Gingerich, to accept these recommendations from the USHBC Industry Relations Committee and the motion carried.

Agenda item six was an update on current USHBC activities. Mark Villata reported on the upcoming election of state representatives and handler for the 2011 term. He noted that earlier this month he had reviewed the top six state producers, based on the average of production from 2007 to 2009, and based on this review there will be no change in state positions in 2011. USHBC members and alternates will again be seated from Michigan, New Jersey, Oregon, Washington, Georgia and North Carolina. The USHBC Industry Relations Committee will now begin developing a list of potential Handler candidates, and those states with a blueberry council or commission will be asked to submit names for the handler and alternate positions for their state. As has been the case in the past, the New Jersey Blueberry Council, Oregon Blueberry Commission and Washington Blueberry Commission will handle their nominations. As Georgia has now established a blueberry commission, they will also be asked to submit their nominees. Staff will also check with the North Carolina Department of Agriculture to see if their state blueberry group meets the criteria to name their nominees as well. States are being asked to provide the USHBC with their nominees by February 15, 2010.

The USHBC will select the handler member and alternate nominees, along with two backup candidates, at the USHBC Spring meeting. State ballots will be sent to Michigan, and possibly North Carolina, in April. All results from state votes and state commission selections, plus the USHBC recommendations for Handler, will be sent in June of 2010 to the Secretary of Agriculture for consideration with the goal of seating these newly elected individuals by January of 2011.

Ken Patterson provided an update on the progress being made in establishing an International Blueberry Organization (IBO). He noted that an IBO Steering Committee of eleven individuals has been formed with representatives from the USA, Chile, Uruguay, Argentina, Australia, England and South Africa. An effort is also being made to add a representative from New Zealand and possibly Japan, China and Korea. Representatives from the USA are Francisco Allende and Verne Gingerich from the USHBC Industry Relations Committee and Tom Tjerandsen, the USA representative for the Chilean Fresh Fruit Association.

The first action of the Steering Committee is to work on the initial formation of the IBO and to generate consensus on the following issues:

1. The recommended by-laws and constitution that will govern the organization
2. The recommended initial and on-going funding sources and amounts
3. A suggestion for a host country for the initial IBO meeting which includes the location, the hosting organization, tentative dates and funding responsibilities
4. The recommended location and resources for registration and incorporation of the IBO

Though all growers and industry members would be eligible and encouraged to participate in the IBO, each group would have just one voting member. At this point it looks like there would be two North American Blueberry Council (NABC) positions on the IBO Board, one voting member each from the U.S. and Canada. Patterson noted that funds are needed to move the IBO along and the NABC has set aside "seed money" totaling \$10,000 to get the organization started. These funds

will be returned by the IBO to the NABC once the program is up and running and collecting assessments. The steering committee will continue discussions through conference calls and emails over the next few months.

USHBC committee reports and recommendations and the establishment of the 2010 USHBC budget were the seventh item on the agenda. Vice Chairman Carini asked USHBC Industry Relations Committee Chairman Ken Patterson for the report from his committee. Patterson noted that many of the items his committee had addressed have already been covered in today's meeting. He reported his committee had been working on the development of tariff codes for blueberry products listed in the USHBC Suppliers Guide and an updated frozen blueberry standard. The tariff code request was sent to the Committee for Statistical Annotation of Tariff Schedules at the U.S. International Trade Commission. Based on their response and requirements (noted below), many of the products could not obtain a code at this time.

- The value of requested products must meet a minimum value of \$1 million on imports or exports
- There must be at least three importers or three exporters for each product with no one or two importers or exporters dominating the trade
- The identity of the product as "cultivated" or "wild" must be easily determined by Customs at the point of entry.

The committee has therefore tabled the request for tariff codes for additional blueberry products until the products can be specifically identified as cultivated and meet all other criteria. He also reported that the USHBC staff has been in discussion with the USDA AMS Inspection and Standardization Section on the identity issue in a frozen standard for blueberries. This came in response to the Chinese lignonberries sold at retail as wild blueberries two seasons ago. The USDA asked that a consumer pack sample of the foreign berries be supplied for their analysis and review. A search was made but examples of the foreign berries could not be found at retail. As no sample is now available the USDA cannot move forward and has withdrawn the proposed revision request. Staff has asked that USDA be prepared to open this request once again should examples of the mislabeled product be found once more at retail.

Patterson reported that his committee had reviewed future meeting sites and has selected Savannah, Georgia as the site of the Spring 2013 USHBC meeting. He noted that our next meeting in Phoenix this February will start our new Wednesday to Friday meeting schedule. The committee had also discussed the continuation of the USHBC acreage and production report and decided that this report is not necessary on a yearly basis. The committee will discuss report timing at its next meeting this Spring. He also reported that the committee has elected to produce a yearly annual report during the first quarter of each year, once the yearly financial audit is complete. These annual reports will replace the expanded December editions of the *USHBC Bluespaper*. At the close of the report Kirk McCreary moved, with a second from Neil Moore, to accept the report and recommendation of the Industry Relations Committee. The motion carried.

USHBC Finance Committee Chairman Doug Kraemer provided his committee report noting that his committee had reviewed assessment collections to date, current cash position, expenditures to date and considered projected income to fund the 2010 USHBC program. Based on NABC crop

projections for 2009, the USHBC Finance Committee estimates a total of \$1,981,782 in 2009 domestic crop assessments to fund activities in 2010. The committee also projects \$1,000,000 in import assessments in 2010 resulting a total estimated assessment income of \$2,981,782 for the coming year. This total combined with projected cash carry-in from 2009 results in a total of \$3,767,617 available for 2010 (see Exhibits #1, #2 and #3).

Based on this total the Finance Committee recommends the following 2010 budget allocations (see Exhibit #4):

Market Promotion	\$1,985,000
Research	\$453,500
Industry Relations	\$76,250
Good Management Practices	\$75,000
USHBC Program Fees	\$178,000
General Expenses	\$93,075
Administration Expenses	\$345,987
Travel and Meetings	\$122,050
Uncommitted Reserve	\$438,755
Total Budget	\$3,767,617

Doug Kraemer moved, with a second from Ron Bodtke, to accept the 2010 budget as presented by the USHBC Finance Committee. The motion carried.

Kraemer also noted that his committee had discussed the upcoming 2009 USHBC audit and recommends that the USHBC continue with the services of Propp, Christensen and Canaglia as our audit firm again this year. Doug Kraemer moved, with a second from Parm Bains, that the USHBC continue with Propp, Christensen and Canaglia as our 2009 audit firm and the motion carried.

USHBC Research Committee Chairman Dave Brazelton provided his committee report noting that his committee continues to work on a blueberry placebo with the USDA Lab in Albany, California for use in human trials and has found that our freeze dried blueberry powder is being very well received by our researchers. The committee reviewed current research projects and all are progressing well with a number of the studies providing some interesting preliminary results in age related diseases and in the area of insulin resistance and diabetes.

He noted that the USHBC is supporting a significant clinical study on cognitive decline being conducted by Dr. Krikorian at the University of Cincinnati. This study, along with Dr. Joseph's age related work, may provide additional support for the effect of blueberries on age related disease. Brazelton noted that Krikorian has also obtained a major National Institute of Health (NIH) grant for more work in this area beyond our current study and will use our blueberry powder and placebo in his expanded study.

Brazelton also reported that his committee has now posted a blueberry research bibliography on the USHBC website which provides an updated list of international blueberry research. The committee also discussed the results of the Berry Health Symposium which was held this past June and was pleased to see the quality of the presentations and that the event generated a

considerable amount of publicity this year. Based on the favorable results, plans are underway for another symposium in 2011.

Brazelton noted that WBANA has approached the committee and asked that we consider offering a 50/50 lowbush/highbush blueberry powder blend to researchers conducting human trials. At this point the committee feels we are too early in the research process to consider blended product and we will continue with our highbush powder in our research projects at the present time, but may consider blended product in the future if needed to secure a qualified health claim from the FDA. The Research Committee also discussed its 2010 budget allocation of \$453,500 and plans to keep a total of \$322,500 in reserve for the coming year for possible allocation to expanded diabetes research activity with human trials. The committee will discuss this possible research project extension at the next committee meeting in February.

Doug Kraemer moved, with a second from Ken Patterson, to accept the USHBC Research Committee report and recommendations. The motion carried.

Keith Mixon, USHBC Good Management Practices (GMP) Committee Chairman, provided his committee report. He noted that the GMP Committee will now review the good management practices booklet for blueberries developed by Michigan State University and adopted by the NABC at its board meeting earlier this week. The committee will edit the booklet to make it applicable to all blueberry operations. Edits are to be completed by November 1, 2009 and a final booklet is planned to be sent to growers this December. This booklet may also be used to update the USDA on our food safety efforts and for their possible use in developing food safety legislation.

The GMP Committee also plans to use this booklet in future grower educational sessions. A trainer to conduct these sessions has yet to be identified but staff will be working on finding possible candidates or options for committee consideration. At this time the committee is considering issuing a certificate of completion to those who attend and complete these future educational meetings. This certificate of completion process would be a positive step in showing how our industry is informing and educating blueberry growers in good management practices.

The committee has also directed staff to work with Norm Hartmann of TMT Worldwide on a proposal for Hartmann to act as our crisis management and media consultant. The committee will consider bringing Hartmann on board once it has a chance to review his proposal. In the meantime, staff has been asked to immediately work with Hartmann on updating our current crisis management plan.

Mixon also mentioned that staff will be working with United and PMA on obtaining updates on the pending food safety legislation and will forward any pertinent information on to the Council as needed. He also noted that his committee requests that the USHBC Promotion Committee begin publicizing positive stories on the good management practices being conducted by our industry members. In closing his report Mixon noted that the GMP Committee is currently working on an 800 number and website which could serve as an information source in the event of a food safety concern and is also considering the development of a food safety educational section for our current USHBC website.