

**NABC FALL BOARD MEETING
MINUTES
October 15, 2009**

NABC Second Vice President Roy Malensky called the NABC Fall Board Meeting to order at 9:40am on Thursday, October 15, 2009 at the Benson Hotel in Portland, Oregon. NABC officers in attendance along with Malensky were Bob Carini (Secretary) and Lorrie Merker (Assistant Treasurer). Roll call showed the following NABC grower members in attendance:

A & L Farms	Carini Farms	Oregon Berry Packing
Atlantic Blueberry Company	Chambers Brothers	Oregon Blueberry Commission
British Columbia Blueberry Council	Diamond Blueberry, Inc.	Pan-American Berry Growers
Berry Fresh Farms	Driscoll's Strawberry Associates	Parsat Enterprises
Berryhill Foods	Fairfield Farms	Sun Belle
Black River Blueberry	Fall Creek Farm and Nursery	Sunnyridge Farms
Blue Vision Farms	Goin's Blueberry Farm	Sunny Valley International
Blueberries of Indiana	Island Grove Ag Products	Surjan Farms
Bodtke Farms	MBG Marketing	True Blue Farms
California Giant	New Jersey Blueberry Council	Washington Blueberry Commission
California Blueberry Association	North Bay Produce	

Following roll call, Second Vice President Malensky asked that the Board observe a moment of silence in memory of Anita Galletta who passed away on September 19. Denny Doyle then thanked industry members on behalf of Art Galletta for the support and thoughts that Art and his family have received from everyone to date.

Prior to addressing today's Board agenda items Malensky asked Mark Villata to provide an update on recent discussions with ABC News. Villata reported that the NABC office had been contacted by ABC News concerning an upcoming television story dealing with child labor. Villata has provided ABC News with a letter from the NABC noting that the blueberry industry does not condone the use of child labor and we encourage our growers to abide by applicable child labor laws. The letter also notes that we will continue our efforts to remind blueberry growers of the importance of abiding by child labor laws. He asked all attendees to direct any media inquiries on this subject to the NABC office for response.

The meeting then moved on to the second agenda item, the approval of the minutes from the February 26, 2009 NABC meeting. Bob Carini moved, with a second from Neil Moore to accept the minutes as written. The motion carried.

The third agenda item was the NABC Nomination Committee report and confirmation of NABC Officers. Villata reported that since our last meeting current NABC President Paul Macrie and NABC First Vice President Henson Barnes have both asked to step down from their respective positions. Based on their requests the Nomination Committee has discussed replacements and recommends that Roy Malensky now move up to the NABC President position and that Dave Arena become the new NABC First Vice President and Neil Moore now assume the position of NABC Second Vice President. George Fritz would remain the NABC Past President, Art Galletta will continue as NABC Treasurer, Bob Carini would remain NABC Secretary and Lorrie Merker will continue serving as NABC Assistant Treasurer. Denny Doyle then moved, with a second from Ron

Bodtke, to accept this new slate of NABC officers and that they assume their positions at today's meeting. The motion carried.

Agenda item four was the NABC 2009 crop report. Villata asked attendees for updates to the initial 2009 crop estimate published on September 2, 2009. Based upon today's discussion, the only figure to be changed at this time would be for Michigan which will increase their crop estimate from 95 million pounds to 100 million pounds (52 million pounds fresh and 48 million pounds process). With this adjustment the NABC 2009 Crop Estimate as of October 15, 2009 totals 437.2 million pounds with 268.7 million pounds marketed as fresh and 168.5 million pounds as process (see Exhibit #1). At this time there were no modifications to the current lowbush estimate (236 million pounds total) so the estimate of the total crop for 2009 (both lowbush and highbush) currently is at 673.2 million pounds (271.2 million pounds fresh and 402.0 million pounds process).

The fifth agenda item was the NABC Finance Committee report and establishment of the 2010 budget. NABC Finance Committee Chairman Malensky asked Terry Bowles to provide an overview of NABC budget and expenditures to date. Bowles noted that as of the end of August 2009 the NABC has spent a total of \$63,264 against the total budget of \$124,410 representing 51% of the budget to date (see Exhibit #2). He noted that dues income was +\$5,300 greater than anticipated and that cash as of August 31, 2009 totals \$363,806 which is +19% higher than our cash total at the same time last year (\$306,497).

Accounts receivable are at \$34,576, down -48% from the previous year, and liabilities which currently total \$10,542 are also less than last year (see Exhibit #3). At this point the NABC expects to collect a total of \$75,500 in 2009 crop dues to fund the 2010 program, up +\$4,200 from the total of \$71,300 collected from the 2008 crop to fund 2009 activities. Based on the amount of cash in the bank as of August 1, 2009, projected dues for 2010, the NABC service fee charged to the USHBC, and accounts payable to year end, less remaining expenses to December 31, 2009, the NABC should have a total of \$471,445 in funds available for 2010.

Based upon income projections the NABC Finance Committee recommends a 2010 budget totaling \$124,768 with \$24,125 allocated to *General Expenses*, \$78,693 to *Administration*, \$17,950 to *Travel and Meeting Expenses*, and \$4,000 to *Reserve* (see Exhibit #4). At the conclusion of the report Neil Moore moved, with a second from Bob Carini, to accept the 2010 NABC Budget totaling \$124,768 and the motion carried.

Bowles then discussed the selection of the audit firm to conduct the 2009 NABC audit noting that a proposal had been received from our current audit firm *Propp, Christensen & Caniglia* to conduct the 2009 audit for \$10,825, the same fee charged for the 2008 audit. He recommended that the NABC continue with the same firm for this year's audit. Bob Carini moved, with a second from Neil Moore to accept this proposal and name *Propp, Christensen & Caniglia* the NABC audit firm for 2009. The motion carried.

Malensky then reported that his committee had reviewed, approved and recommends the adoption of the *NABC Whistle Blower Policy* (see Exhibit #5) and the *NABC Document Retention Policy* (see Exhibit #6) which had been recommended by our audit firm this year and had been sent to committee members prior to this meeting for consideration. Neil Moore moved, with a second from

Bob Carini, to accept the NABC *Whistle Blower Policy* and the *NABC Document Retention Policy* as presented. The motion carried.

Agenda item six was the approval of grower and associate member applicants. Villata reported that the NABC had received applications from the following three potential grower members and two associate members:

NABC GROWER MEMBER APPLICANTS-

- *D & S Blueberries, Inc.* - Masaryktown, Florida
- *Townsend Farms, Inc.* - Fairview, Oregon
- *Silver Valley Farms*- Maple Ridge, British Columbia

NABC ASSOCIATE MEMBER APPLICANTS-

- *Domex Superfresh Growers*-Yakima, Washington
- *Florida Foundation Seed Producers, Inc.*- Gainesville, Florida

He also reported that two current members, *Mari-Lee Farms* from Ocala, Florida and *Paw Paw Blueberries* from Paw Paw, Michigan have discontinued their membership. Bob Carini moved, with a second from Neil Moore, to accept these three new grower members and two new associate members and accept the resignation of the two existing grower members. The motion carried.

The meeting moved on to agenda item seven, a report from the NABC Legislative Committee. Committee Chairman Denny Doyle provided an update on current activities noting that the NABC Legislative Committee has been working in four areas since our last meeting in February. The Committee continues to be involved in the immigration issue; has worked with the USDA on their recent blueberry purchase; has participated in the United Fresh Festival in Washington D.C.; and continues to look into the labeling of foods containing artificial ingredients.

As approved by the Board this year the NABC has donated \$10,000 to the Agriculture Coalition for Immigration Reform (ACIR) and at that level has been given a spot on the ACIR Executive Committee. Denny Doyle, as the NABC Legislative Committee Chairman, has been assigned as the NABC representative on the ACIR Executive Committee. ACIR Co-Chairman Craig Regelbrugge has been providing regular email updates on the immigration issue and the ACIR efforts in this area. It appears that the ACIR is doing an excellent job in keeping everyone aware of pending legislative actions and providing a voice for agriculture. Doyle asked that any NABC member interested in receiving the emails from the ACIR contact the NABC office. He noted that it his committee recommendation that the NABC continue to support the ACIR at the \$10,000 level and maintain our position on their Executive Committee.

Doyle then discussed the recent USDA blueberry purchase. This past July the USDA announced the intent to purchase up to \$14.7 million worth of our frozen blueberries for federal nutrition assistance programs. The USDA has purchased bulk frozen blueberries, dried blueberries and frozen blueberries in 2 ½ pound polybag packs. This purchase was in response to our October 2008 school lunch purchase request. The NABC asked a number of legislators to bring the importance of this purchase to the attention of the USDA and has greatly appreciated their assistance.

Letters of thanks have been sent by the NABC to Senators Stabenow and Levin from Michigan and Chambliss from Georgia and to Representatives Schauer and Hoekstra from Michigan and Alder and LoBiondo from New Jersey. Letters of thanks have also been sent to both the Chief and to the Administrative Supervisor of the USDA Commodity Procurement Branch. The Legislative Committee recommends that an NABC team travel to Washington D.C. again this winter to discuss government purchases in 2010.

Doyle noted that the NABC participated in the United Fresh Festival on Capital Hill again last month. Marcy Erhard from Lewis & Neale PR manned the NABC table at the event and distributed a blueberry information sheet along with a recipe sheet featuring classic blueberry recipes. Visitors were also given samples of a blueberry trail mix. The event continues to bring awareness of the blueberry industry to legislators and their staff and should help us to continue to build relationships with key contacts for future support.

His final update concerned artificial labeling. He noted that the NABC has been contacted by POM Wonderful, the California based pomegranate juice manufacturer, and has been asked to consider participation in their initiative to push truth in labeling for juice, similar to our concerns with artificial blueberries. Staff has been in contact with POM Wonderful on this issue and has provided them with background information on our truth in labeling efforts to date, as well as information on the Prevention Institute, the group we have consulted with in their truth in labeling campaign. The committee will continue to discuss this campaign with POM Wonderful and will see how this effort might be expanded to include other interested parties.

As the close of the update Bob Carini moved, with a second from Neil Moore, to accept the report and recommendations of the NABC Legislative Committee. The motion carried.

Agenda item eight was an update on National Berry Crops Initiative (NBCI) activities. Mark Villata reported that Rod Cook has been added as the NABC representative from the west on the National Berry Crops Initiative Board replacing Ron Fuji. Two other NABC members on the NBCI Board are Phil Neary (East) and Chris Barnhill (South). The NABC now has an opening for a representative from the Midwest as Dave Trinka will be coming off the NBCI Board after a number of years of service. The NABC appreciates the time and efforts he has made in representing the NABC and will now seek a replacement to serve as NABC representative from the Midwest on the NBCI Board.

Villata noted that to date the NBCI has been primarily concerned with the Berry Health Benefits Symposium and legislative issues. The NBCI sponsored Berry Health Benefits Symposium was held this past June in Monterey, California. The symposium was well attended and featured a number of excellent berry health research studies. This was a good showcase of the benefits of berry consumption. He reported that this year an effort was made to encourage greater media attention and the NBCI sponsored three national journalists to cover the symposium. An additional eight media members attended on their own and have generated additional coverage. Based on the results of this second symposium, another symposium is planned for 2011 at a location to be determined. He also reported that the NBCI is keeping tabs on food safety legislation and how it might impact the berry industry as well as immigration, though there is nothing from the NBCI to report on these issues at this time.

Agenda item nine was an update on the formation of an International Blueberry Organization (IBO). Francisco Allende noted that progress is being made and that an IBO Steering Committee of eleven individuals has been formed with representatives from the USA, Canada, 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. He noted that a few members of the IBO Steering Committee would be meeting today to continue to discuss work that needs to be completed in the initial formation of the IBO. Consensus will be needed on the following issues:

1. The recommended by-laws 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

Allende noted that though all growers and industry members would be eligible and encouraged to participate in the IBO, each group would have just one voting member. There would be two NABC positions on the IBO Board, one voting member each from the U.S. and Canada. Allende noted that funds are needed to move the IBO along and asked that the NABC consider offering "seed money" of \$10,000 to get the organization started. These funds would be returned by the IBO to the NABC once the program is up and running and collecting assessments. Neil Moore moved, with a second from Bob Carini, to accept the committee report and the motion carried. Bob Carini then moved, with a second from Neil Moore, to allocate \$10,000 in "seed funds" to the IBO. With this allocation the 2010 NABC budget would increase to \$134,788. The motion carried.

Agenda item ten was the consideration of expanded NABC reports to educate buyers and sellers. Villata noted he had been asked to bring this topic up for consideration at today's meeting. The goal of these possible expanded reports would be to educate the buying and selling market about blueberry fundamentals through analysis of inventory holdings; consumption information and crop estimates. It is believed it would be best to have information come from a known independent source such as the NABC rather than individual blueberry packers. The report could be issued three times per year (March-Pre Domestic Season; August- Mid Domestic Season; October- Post Domestic Season) with an evaluation and analysis of market trends.

Discussion followed and Malensky noted that it would also be helpful to get more details on the type of product reported in the monthly cold storage report (frozen grade A or B, juice, etc.) similar to how cold storage figures are detailed for raspberries and blackberries. It was decided that an ad hoc committee should be formed to look into expanded NABC reports and more detailed cold storage reports. Malensky will assign members to this ad hoc committee following today's meeting and will ask that they bring recommendations back to the NABC at the next Board meeting in Phoenix this coming February.

The eleventh agenda item was a discussion and consideration of an NABC food safety checklist. In August, a draft of an NABC Food Safety Checklist was sent to NABC members for comment by September 25. The checklist provides general and minimal voluntary guidelines for blueberry handling and processing practices to address food safety and is designed to assist industry members in conducting their individual good management and good agricultural practices. The