

**KIWIFRUIT ADMINISTRATIVE COMMITTEE**  
**Meeting Minutes**  
**Thursday, September 27, 2012 – 10:00 a.m. -3:00 p.m.**

**Woodlake Hotel**  
**500 Leisure Ln.**  
**Sacramento, CA 95815**

**1. Call to Order**

Chairperson Kliewer called the meeting to order at 10:00 a.m.

**2. Roll Call**

Roll call was taken. In attendance were:

<u>District</u>	<u>Seat</u>	<u>Member</u>	<u>Alternate Member</u>
1	1	Jim Sanderson	Rau Ratana
1	2	Mike Noland	Jose Luis Villalobos
1	3	Gary Carlin	-
1	4	Doug Wilson	Tom Schultz
2	1	Sherod Craig	John Yohannes
2	2	Jerry Kliewer	-
2	3	-	-
2	4	-	-
2	5	-	-
3	1	-	-
3	2	John Fagundes	T.A. Heckel
	Public Member	-	Vacant
	KAC Manager	Chris Zanobini	

Absent were: Ramon Jauregui (Alt. Member District 1, Seat 3), Alfred Haas (Member District 2, Seat 3), Gary Smith (Alt.Member District 2, Seat 3), Archie Williams (Member District 2, Seat 4), Jose Luis Martinez (Alt. Member District 2, Seat 4), Cindy Myers (Member District 2, Seat 5), Kris Sidharaju (Alt. Member District 2, Seat 5), Mike Jackson (Member District 3, Seat 1), Kurt Cappelluti (Alt. Member District 3, Seat 1), Greg Basila (Member, Public Member).

Also present: Nick Matteis (KAC), Barbara Windmiller (KAC), Kathie Notoro (USDA AMS Fresno Office), Hillary Brick (The Giumarra Companies).

**ESTABLISHMENT OF A QUORUM**

Mr. Kliewer established that there was a quorum and moved to the next order of business. It was noted that Mr. Yohannes would be voting for Mr. Haas and that Mr. Heckel would be voting for Mr. Jackson.

## **APPROVAL OF MINUTES – July 11, 2012**

It was recommended that the minutes be changed to reflect that Mr. Fagundes had made the motion to submit a letter to USDA/APHIS requesting that imported fruit be surveyed and tested for presence of PSA at port of entry.

A motion was made by Mr. Heckel to approve the minutes with the recommended changes, seconded by Mr. Fagundes and the motion was unanimously approved.

## **AUDIT PRESENTATION BY KEITH ROOD**

Mr. Rood gave a detailed report on the audited financial statements for the year ending July 31, 2011 indicated that there were no material misstatements. He noted that all recommendations made by the audit were responded to by management.

A motion to approve the July 31, 2011 financial audit report was made by Mr. Wilson, seconded by Mr. Sanderson and the motion was unanimously approved.

## **MANAGERS REPORT**

Mr. Matteis reported that the KAC Regulations Bulletin had been sent to the Inspectors and Handlers Packets for the upcoming season would be mailed out on Friday. He noted that website changes including handler listings on the “Retail Trade” page would be submitted to the website host as soon as all changes were confirmed.

It was requested that the pricing per pound research, the Nutrition Benefits research, Category Analysis and Mrs. Brick’s Marketing Report be posted on the industry website. In addition it was requested that the logo be changed on the website to reflect that the Kiwifruit Commission was no longer indicated to represent the industry.

Mr. Zanobini provided an update on the Commission wind down and noted that the final audit had been completed that grower reimbursements were expected to be sent out within the next month.

Mr. Fagundes mentioned that the Italian delegation still owed approximately \$3,000 to the IKO for the Nutrition Benefits Research done by Keith Singletary.

## **USDA REPORT**

Ms. Notoro reported that the candidate surveys were complete and that the nomination report was complete. She added that there was no new development with respect to the informal rule making process and indicated that it was not certain when further action would be taken.

## **ELECTION OF OFFICERS**

A motion was made by Mr. Fagundes to elect Jerry Kliewer to serve as chair of the Committee, seconded by Mr. Sanderson and the motion was unanimously passed.

A motion was made by Mr. Sanderson to elect John Fagundes to serve as vice-chari of the Committee, seconded by Mr. Heckel and the motion was unanimously passed.

A motion was made by Mr. Sanderson to elect Mike Noland to serve as the Secretary/Treasurer of the Committee, seconded by Mr. Heckel and the motion unanimously passed.

## **APPOINTMENT ALTERNATE PUBLIC MEMBER**

Mr. Kliewer called for nominations of an Alternate Public Member.

Mr. Matteis noted that consideration for diversity on the board was to be considered as well as qualifications of the recommended candidates.

Mrs. Windmiller stated that two candidates had expressed interest in serving as public members and both were very strong in qualifications with many years of experience relative to agriculture. She added that the candidates for whom the Committee members were provided a summary of leadership and professional experience were suggested candidates and that other nominations could be considered as well.

A motion was made by Mr. Wilson to appoint Jon C. Phillips, P.h.D. to serve as Alternate Public Member of the Committee, seconded by Mr. Noland and the motion was unanimously approved.

Mr. Kliewer asked staff to let Mr. Phillips and Ms. Chin to thank them for submitting their candidacy for the Alternate Public Members seat.

Mrs. Windmiller noted that Ms. Chin worked with Mr. Basila and that she would be a good candidate to consider for future Public Member appointments.

## **FINANCE/ASSESSMENT REPORT**

Mr. Zanobini gave a detailed report on the current financials. He noted that the invoices for financial services, the financial audit performed by Keith Rood, and handler audits had yet to be received and paid by the KAC.

It was inquired as to whether any adjustments needed to be made to the total estimated crop.

It was noted that the crop estimate approved at the last meeting was extremely conservative and that the total crop size need not be adjusted downward.

A motion was made by Mr. Noland to approve the financial report, seconded by Mr. Fagundes and the motion was unanimously passed.

## **APPOINT FINANCIAL OVERSIGHT COMMITTEE**

Mr. Kliewer appointed John Yohannes, Mike Noland and T.A. Heckel to serve as the financial oversight committee.

## **APPROVAL OF 2011/12 ANNUAL REPORT**

Mr. Matteis stated that the annual report indicated that the total crop numbers actually finished higher than the expected 9.2 million tray equivalents and instead finished at 9.6 million tray equivalents shipped. He added that the report indicated that Mexico continued to be the number one export market, size profile was largely distributed to the size 25-30 range and that the loss to repack as well as decay was less than anticipated.

It was noted that a change needed to be made to the total carry-forward noted on Chart 12 of the report from \$100,173 to \$122,454.

A motion was made by Mr. Fagundes to approve the 2011/12 Annual Report with the changes, seconded by Mr. Carlin and the motion was unanimously approved.

## **OPEN FLOOR DISCUSSION FOR INDUSTRY RELATED NEWS AND TOPICS**

Mrs. Brick gave a presentation on a report on a Category Analysis and Pricing per pound marketing strategy which she had prepared for the International Kiwifruit Organization meeting three days prior.

Further discussion was held regarding PSA and the industry concerns surrounding the bacterial infection that was so significantly impacting the New Zealand and Italian kiwifruit industry.

Concern was expressed about the survivability of the bacteria on the fruit; whether the bacteria could survive the cold storage process and the supply chain to the retail space as well as the potential for fruit, if the bacteria proved capable to survive on the fruit, to end up in California orchards.

Mr. Fagundes provided a report on the IKO conference that was held earlier in the week and was hosted by industries and noted that the event was executed very well considering that there was not a Commission in place to act as the host. He highlighted that Chile reported that they would be exiting the market early as well as New Zealand. He stated that the Italian delegation expected the crop to be down 28% due to adverse weather conditions and PSA. Additionally, it was expected that the Korean kiwifruit crop would be down 20%.

Mr. Fagundes added that nearly the whole first day of the conference was dedicated to discussion of PSA and current effects in all origins that had reported infections.

Mr. Wilson indicated that the New Zealand industry had developed a Kiwifruit Vine Health website that was featured by the New Zealand delegation and noted that the website was an excellent resource for all relative PSA updates, research, and best practices.

Mr. Fagundes added that the Italian delegation had presented a website that was being developed as a resource for Italian growers to reference in response to PSA as well. He noted that there was also an English version that was developed.

Mr. Kliewer thanked Mr. Fagundes, Mr. Wilson, and Mrs. Brick and Mr. Craig for representing the United States at the IKO noting that they had invested a lot of time and energy to organize and host the event without a Commission in place.

## **ISSUES AND SCHEDULING FOR NEXT MEETING**

Mr. Kliewer requested that staff send an online survey to poll the members' availability for the next meeting to take place in Mid-March 2013.

## **ADJOURNMENT**

Mr. Kliewer noted that as there were no other items to discuss the meeting was adjourned at 2:15 p.m.

Jerry Kliewer, Chairperson  
John Fagundes, Vice-Chairperson  
Mike Noland, Secretary/Treasurer  
Kiwifruit Administrative Committee  
Minutes Taken by Nick Matteis