

**CALIFORNIA AVOCADO COMMISSION
BOARD MEETING MINUTES
February 15, 2017**

A meeting of the California Avocado Commission (CAC) Board was held on Wednesday, February 15, 2017 at the CAC office, 12 Mauchly, Suite L, Irvine, CA 92618, with the following people present:

MEMBERS PRESENT

Nina Ames
Robb Bertels
Art Bliss
John Burr
Gary Caloroso
Gene Carbone
Gary Clevenger (Taft Alt.)
Tyler Cobb (Swoboda Alt.)
Jason Cole
Jessica Hunter
Ohannes Karaoghlanian (Newhouse Alt.)
John Lamb
Leo McGuire
Rick Shade

MEMBERS ABSENT

Ed McFadden
Kellen Newhouse
Jim Swoboda
Steve Taft
ALTERNATES ABSENT
Bryce Bannatyne
Donny Lucy

CAC STAFF PRESENT

Monica Arnett
April Aymami
Tom Bellamore
Zac Benedict
Jan DeLyser
Ken Melban

OFFICIALLY PRESENT

Nick Jennery, Nick Jennery & Assoc.

GUESTS PRESENT

Jennifer Baker-Asiddao

ITEM #1 CALL TO ORDER

Roll Call/Establish Quorum - Item 1.A.

Rick Shade, CAC chairman, called the meeting to order at 12:10 p.m. with a quorum present. He thanked the members and alternates present for their attendance at the orientation and planning session.

Introductions – Item 1.B.

Tom Bellamore, CAC president, introduced Nick Jennery, of Nick Jennery & Associates, as the facilitator for the day's orientation and planning session.

ITEM # 2 OPPORTUNITY FOR PUBLIC COMMENT

There was no public comment.

ITEM # 3 ORIENTATION

Mr. Bellamore stated that while the orientation had initially set out to cover an overview of board governance functions, he also wanted to provide the board with the opportunity to address the critical issues facing the Commission and kick off the strategic planning process. To begin the session, Mr. Bellamore distributed industry statistics covering acreage, production and pricing over the last ten years. He challenged the Board

to reflect on these numbers over the course of the day and ask themselves if the premium California is currently receiving over imports is enough for where the industry needs to be, and if not, what more needs to be done.

The California Industry Statistics (2007-2016) handout is attached to the permanent copy of these Minutes and identified as EXHIBIT A.

Overview of Board Governance Functions – Item 3.A.

Mr. Jennery began by providing an overview of his qualifications and experience within the produce industry. He covered the session objectives, including different types of board governance functions and responsibilities, and reminded the Board that the orientation session was theirs to own and encouraged active participation throughout the session.

As part of the overview of board governance, Mr. Jennery introduced a Board Member Guide that had been developed and a draft of which was distributed. He stated that throughout the first part of the orientation he would cover the contents of the guide, but that members should review it in its entirety and report back to the staff any recommended improvements. Mr. Jennery said that it was envisioned that the guide would be provided to new board members in an effort to bring them up to speed more quickly and efficiently, but that it would not replace formal orientation or mentorship programs that CAC may have in place.

Mr. Jennery covered the board's basic responsibilities, which include organizational oversight and due diligence, setting strategic direction and asking deeper questions about issues and opportunities. He explained that each of these responsibilities fit within one of three governance models; fiduciary, strategic and generative. During this session, Mr. Jennery went into detail regarding the importance of each governance model and provided scenarios of how a board can and should operate within each model to ensure that they stay focused on "steering" and setting the direction of the organization, as opposed to "rowing" or getting too hands on in activities that should be delegated to management.

The CAC Board Member Guide is attached to the permanent copy of these Minutes and identified as EXHIBIT B.

Strategic Exercise: Future Role of the Commission – Item 3.B.

Mr. Jennery distributed a strategic exercise handout which included two issues currently impacting the industry. Board members and alternates were broken into small groups to review the issues and come up with questions that should be asked to help CAC understand all of its options in addressing the challenges. The two issues/challenges presented were:

1. California avocados need to further differentiate themselves (premium brand profile) in a market:
 - a. Increasingly dominated by imports
 - b. Where imports are supported by a much larger promotional/marketing spend.
2. CAC needs to maintain/increase its value & relevancy to its constituents.

At the conclusion of the breakout sessions, each group presented their questions to address the challenges and then prioritized them by order of importance. Mr. Jennery stated that he would take the notes from the strategic exercise and present a recap report of the results at the Board meeting scheduled for the following day.

The Strategic Exercise Break-out Session Questions handout is attached to the permanent copy of these Minutes and identified as EXHIBIT C.

The CAC Board Orientation presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT D.

ADJOURN MEETING

Mr. Shade adjourned the meeting at 3:30 p.m. The next Board meeting will be held on Thursday, February 16, 2017 in Irvine, California.

Respectfully submitted,

April Aymami, CAC Industry Affairs Manager

I certify that the above is a true statement of the Minutes of February 15, 2017 approved by the CAC Board of Directors on May 18, 2017.

Jason Cole, CAC Board Secretary

EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES

- EXHIBIT A California Industry Statistics (2007-2016) Handout
- EXHIBIT B Draft Board Member Guide
- EXHIBIT C Strategic Exercise Break-out Session Questions Handout
- EXHIBIT D CAC Board Orientation Presentation