

**CALIFORNIA AVOCADO COMMISSION  
BOARD MEETING MINUTES  
November 16, 2023**

A meeting of the California Avocado Commission (CAC) Board was held on Thursday, November 16, 2023 with the following people present:

**MEMBERS PRESENT**

Victor Araiza  
Will Carleton  
Jason Cole  
John Cornell  
Quinn Cotter  
Maureen Cottingham  
Rob Grether  
Jessica Hunter  
Robert Jackson  
Rachael Laenen  
Daryn Miller  
Peter Shore

**ALTERNATES PRESENT**

John Berns  
Maddie Cook  
Jamie Johnson  
Ohannes Karaoghlanian  
Hayden McIntyre

**MEMBERS ABSENT**

None

**ALTERNATES ABSENT**

Jaime Serrato

**OFFICIALLY PRESENT**

Victoria Carpenter, *USDA*  
Ben Kardokus, *CDFA*  
George Soares, Kahn,  
Soares & Conway, LLP

**STAFF PRESENT**

April Aymami  
Dave Cruz  
Stacia Kierulff  
Ken Melban  
Lori Small  
Terry Splane

**GUESTS PRESENT**

Wayne Brydon  
Dan Coxe  
John Dmytriw  
Consuelo Fernando  
Gerardo Huerta  
Kim Kurata  
Cristie Mathers  
John McGuigan  
Marji Morrow  
Steven Muro  
Jill Netzel  
Barbara Peirce  
Adriane Rippberger  
Joanne Robles  
Steve Roodzant  
Scott Scarboro  
Matt Schraut  
Silvia Standke  
Gina Widjaja  
Charley Wolk

**ITEM #1 CALL TO ORDER**

Ben Kardokus, representing the California Department of Food and Agriculture (CDFA), called the meeting to order at 8:01 a.m.

**Announcement of Election Results and Introduction of New Members and Alternates - Item 1.a.**

Mr. Kardokus announced that results from the recently concluded 2023 CAC General Election had been tallied and the following individuals had been elected to the CAC Board for two-year terms ending October 31, 2025:

District 1 Member: Robert Jackson

District 4 Member: Jason Cole

District 2 Member: Victor Araiza

District 5 Member: Daryn Miller

District 3 Member: Rob Grether

Handler Member: Peter Shore

Mr. Kardokus reported that during the election 275 valid ballots had been received, with 32 ballots disqualified. He noted that the disqualified ballots had no impact on the results of the election.

**Roll Call – Item 1.b.**

Mr. Kardokus conducted roll call attendance and determined that a quorum was present.

**Introductions**

April Aymami, CAC industry affairs director, announced the United States Department of Agriculture (USDA), CDFA, CAC staff, CAC agency personnel and known guests participating in the meeting. She asked for all other guests to announce themselves and recorded all participants in attendance.

**ITEM # 2 OPPORTUNITY FOR PUBLIC COMMENT**

None

**ITEM # 3 ELECTION OF OFFICERS**

**Instruction on How Nominations and Voting for Board Officers will be Conducted – Item 3.a.**

Mr. Kardokus provided a brief overview of Commission law and procedures pertaining to the nomination and election of Board officers.

**Nominations and Election of Chairperson – Item 3.b.**

Following the instructions on nominations and voting for board officers, Mr. Kardokus called for nominations for the seat of Chairperson. Jason Cole was nominated for the position of Chairperson by Rob Grether. John Cornell was nominated for the position of Chairperson by Robert Jackson. There were no further nominations for the position of Chairperson.

**ACTION:**

***Move to elect Jason Cole to the position of Chairperson.  
MSC (10 Yea/2 Nay)***

**MOTION 23-11-16-1**

**ITEM #4 CHAIRPERSON TAKES GAVEL AND PRESIDES**

**Chairperson's Opening Remarks – Item 4.b.**

Mr. Cole thanked the Board for their support and electing him to the position of Chairperson. He made a special comment thanking Rob Grether for the three years he served as Chairman. Mr. Cole stated that he knows firsthand how much time Mr. Grether put in off the clock and personally. He commented that Mr. Grether worked harder than any chairman that he has seen so he has a huge pair of shoes to fill. Mr. Cole commented that there has been a lot of positive change that has happened in the Commission but there is still work to be done. He stated that Terry Splane, VP of Marketing, has brought a whole new zest and excitement to our marketing department and he is excited to see what the new agency, Curious Plot, can do for the Commission.

Mr. Cole stated that there are items that will need to be tackled on the governance side, packer involvement as voting members moving forward, what should the specifics be to qualify as a commercial grower, and a hard look at the assessment rate to balance the budget and where we think our production will be in the next few years. Mr. Cole would like to discuss forming a governance committee at the February 2024 meeting. He is bringing this up to plant the seed for anyone that may be interested in serving on a governance committee. For the new Board members, Mr. Cole listed the current standing committees at the Commission: Production Research Committee, Marketing Committee, and Finance Committee.

**Nominations and Election of Vice-Chairperson, Secretary, and Treasurer – Item 4.a.**

**Vice Chairperson**

Mr. Cole assumed the position of Chairperson and requested nominations for the position of Vice-Chairperson. Robert Jackson was nominated for the position of Vice-Chairperson by John Cornell. Maureen Cottingham was nominated for the position of Vice-Chairperson by Will Carleton. Rachael Laenen was nominated for the position of Vice-Chairperson by Rob Grether. There were no further nominations for the position of Vice-Chairperson. Subsequently, Mr. Jackson and Ms. Cottingham declined their nominations for the position. There were no further nominations for the position of Vice-Chairperson.

**ACTION:**

***Move to elect Rachael Laenen to the position of Vice-Chairperson.  
MSC (Unanimous)***

**MOTION 23-11-16-2**

**Secretary**

Mr. Cole requested nominations for the position of Secretary. Daryn Miller was nominated for the position of Secretary by Rachael Laenen. There were no further nominations for the position of Secretary.

**ACTION:**

***Move to elect Daryn Miller to the position of Secretary.  
MSC (Unanimous)***

**MOTION 23-11-16-3**

**Treasurer**

Mr. Cole requested nominations for the position of Treasurer. Maureen Cottingham was nominated for the position of Treasurer by Rachael Laenen. There were no further nominations for the position of Treasurer.

**ACTION:**

***Move to elect Maureen Cottingham to the position of Treasurer.  
MSC (Unanimous)***

**MOTION 23-11-16-4**

**ITEM # 5 CONSENT CALENDAR**

Mr. Cole introduced the consent calendar items and asked for questions or comments. Mr. Daryn Miller, Board Treasurer, commented that he would like consideration for having one or two of the Board meetings near the central and northern regions to allow for more local growers to attend in-person. Hearing no further comments, the following motion was put forward:

**MOTION:**

***The CAC Board of Directors approves the Consent Calendar, Items 5.a through 5.d as presented.  
(Miller/Cottingham) MSC Unanimous***

**MOTION 23-11-16-5**

The Consent Calendar is included in the November 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Items 5.a through 5.d.

**ITEM #6 BOARD MEMBER ORIENTATION**

Ken Melban, CAC VP of Industry Affairs and Operations informed the Board that the last orientation was done in 2018 so this information will be a good refresher for all. Mr. Melban shared that the presentation for the Board of Directors Orientation will be available for reference.

Mr. Melban commented that during the Commission's governing documents slide of the orientation, Mr. Jason Cole, CAC Chairman, had contacted him to commend the grower website (<https://www.californiaavocadogrowers.com/>) for the vast amount of resources specific to cultural practices located there. Mr. Melban informed the Board that April Aymami, CAC Director of Industry Affairs, is in the process of completing a website revamp which is expected to be available by the end of 2023.

Jessica Hunter, CAC Board Member, commented on the Industry Statistics orientation slide that she has received several comments from growers that the Board has almost doubled the assessment rate from 1.50% in 2022/23 to 2.25% for 2023/24. Ms. Hunter pointed out the ten-year history of assessment rates and that even though the rate has significantly changed for 2023/24, the amount is not out of place from where we have been. The Board previously lowered the assessment rate to provide growers some relief while the Commission had a large reserve with the knowledge that the assessment rate would eventually go back to where it was previously.

The *Board of Directors Orientation Presentation* is attached to the permanent copy of these Minutes and identified as EXHIBIT B.

**ITEM #7 CODE OF CONDUCT AND ETHICS**

Jason Cole, CAC Chairman, informed the Board that there would be a presentation from CAC's legal counsel, Mr. George Soares with Kahn, Soares & Conway, LLP on the CAC code of conduct and ethics.

George Soares, CAC Legal Counsel, commented that the modern-day commissions all use the same format that has been tested on court, all the way to U.S. Supreme Court. Mr. Soares informed the Board that he had reviewed the structure of the existing Code of Conduct document and that there were elements of the Code of Conduct document that need to be made clearer. He informed the Board that the document included in the Board packet is the refined Code of Conduct document that has been part of the Commission for many years. Mr. Soares stated that Board members need to have clarity as to what the expectations are so that there is no confusion as the members serve on this Board.

Mr. Cole addressed the Board and stated that this document is just a refinement of the already existing Code of Conduct document. He commented that if the Board approves the document now as presented, if there are any glaring issues found later, the document can be modified again. Mr. Cole commented that this document allows the Board the ability to hold each other accountable and set expectations on how we, as a Board, conduct ourselves.

Ken Melban, CAC VP of Industry Affairs and Operations commented that under the CAC Internal Controls Policies and Procedures, there are Board Code of Conduct elements listed. That document is not approved by the Board as it is an internal document on how the Commission operates. The effort of this revised document is to remove that portion entirely from the CAC Internal Controls Policies and Procedures (ICPPs) and the Board will adhere to their own Code of Conduct that they establish for themselves, separate from staff.

Robert Jackson, CAC Board Member, asked Mr. Soares what current Commission document he used as the base of the Code of Conduct. Mr. Soares informed Mr. Jackson that the language was from the current CAC ICPPs. Mr. Ken Melban clarified that the previous Code of Conduct within the CAC ICPPs document would be removed, and this revised Code of Conduct and Ethics document would be a standalone policy. Mr. Jackson commented that there was some word smithing that he believes needs to be done and he would like the opportunity to work with Mr. Soares in word smithing specifically item 2.d.

**MOTION:**

***The CAC Board of Directors approves the Code of Conduct and Ethics to remove item 2.d. on page 2 of 6 and with the allowance for Robert Jackson, CAC Board Member and George Soares, CAC Legal Counsel, to work on new verbiage to be reviewed at the February 2024 meeting.***

***(Carleton/Cornell) MSC (4 Yea/7 Nay)***

**MOTION 22-11-17-6**

**MOTION:**

***The CAC Board of Directors approves the Code of Conduct and Ethics as presented and removes any references of the Code of Conduct from the CAC Internal Control Policies & Procedures.***

***MSC (9 Yea/1 Nay/1 Abstain)***

**MOTION 22-11-17-7**

The Code of Conduct and Ethics is included in the November 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT C.

### **ITEM #8 CHAIRMANS REPORT**

#### **Recommend Member and Alternate to Serve on Hass Avocado Committee – Item 8.a.**

Jason Cole, CAC Chairman, informed the Board that they need to appoint a member and alternate to serve on the Hass Avocado Committee. Mr. Cole asked if anyone had any interest in serving on HAC. Rob Grether was nominated as member and Jamie Johnson was nominated as alternate member.

#### **MOTION:**

***The CAC Board of Directors approves the election of Rob Grether, CAC Board Member as HAC member and Jamie Johnson, CAC Board Alternate Member as HAC alternate member.***

***(Cottingham/Laenen) MSC (10 Yea/1 Abstain)***

**MOTION 23-11-16-8**

#### **Recommend Member and Alternate to Serve on Avocado Sustainability Advisory – Item 8.b.**

Jason Cole, CAC Chairman, informed the Board that they need to appoint two members to serve on the Avocado Sustainability Advisory. It was confirmed that both members of CAC on the Avocado Sustainability Advisory will be voting members, not a member and an alternate. Ken Melban, CAC VP of Industry Affairs and Operations stated that he would be willing to continue to serve. Daryn Miller, CAC Board Member, also agreed to serve.

#### **MOTION:**

***The CAC Board of Directors approves the election of Ken Melban, CAC VP of Industry Affairs and Operations and Daryn Miller, CAC Board Member as ASA members.***

***(Grether/Cottingham) MSC (10 Yea/1 Abstain)***

**MOTION 23-11-16-9**

### **ITEM #9 MARKETING REPORT**

#### **Strategy Behind 2023-24 Business Plan Development – Item 9.a.**

Terry Splane, CAC VP of Marketing commented that when he was informed that the CAC budget would be cut by thirty percent (30%), it forced the marketing team to think completely differently about what adds value to the grower, the brand, and the consumer that were shown in the Marketing Update presentation. The CAC Marketing objectives are to aspire to an average price per pound that meets or exceeds the target set by the Commission Board, retain or increase California avocado awareness, perceived value and preference with our consumer targets, and build loyalty with existing and target new trade customers.

#### **Introduction of New Resources – Item 9.b.**

Lori Small, CAC Marketing Manager commented that she has 10+ years working directly on public relations and influencers on behalf of CAC in previous years. Ms. Small stated that with her experience, we eliminated the need for a separate public relations agency and allows for streamlining the PR and influencer efforts by bringing them in-house.

#### **Insights Driven Business Enhancements – Item 9.c.**

Cristie Mathers from the new marketing agency, Curious Plot, informed the Board that their company is a full-service marketing communications and management consulting agency that is dedicated to serving clients in agriculture. Curious Plot is unique in that they are not only a full-service agency dedicated to food and agriculture, but they are an independent subsidiary of Land O' Lakes which is farmer owned.

Ms. Mathers spoke on the 2023 Media Campaign Wrap-Up on the media plan for digital, audio, outdoor and social media. She then informed the Board of the new changes they are excited to

deliver with optimizing programs using strategic, hyperlocal, targeted paid media placements that integrate with retail and drive targets directly to the store.

John Cornell, CAC Board Member commented on one of the marketing presentation slides pertaining to meeting or exceeding the price per pound identified by the CAC Board. Mr. Cornell commented that supply and demand determines what the price per pound is, so he wanted to know where the price came from.

Jason Cole, CAC Chairman replied to Mr. Cornell that the price per pound is the price the Board uses for budgeting purposes to set the annual assessment rate. Mr. Cole reminded Mr. Cornell that an evaluation of the crop was done at the August 2023 meeting to discuss the price for assessment and budgeting purposes.

Mr. Cornell commented that he understands that the price must be used to set the budget and assessment, however, for performance purposes, he believes that the measurement should be the value that the Commission can create for California fruit over our competition which would determine if we were succeeding or failing. Mr. Cornell stated that the only thing we can do is to create a premium. Ken Melban, CAC VP of Industry Affairs and Operations commented that the language should be 'price differential' instead of the word 'premium' because it is subjective.

Rob Grether, CAC Board Member commented that he respectfully disagrees that the measure of success is only if we achieve a premium over imported fruit. He commented that CAC has a marketing budget to promote California avocados. Imported avocados also have marketing support and in some cases a significantly larger marketing budget. Mr. Grether stated that while he believes we should have a goal that California fruit command a premium, if it does not achieve a premium, he does not think we should judge the Commission's marketing efforts as a failure. It may be that the best we can do is just to keep pace with imported volumes. He is not saying this should be the goal, however, but for us to be careful stating that if we do not receive the premium, it is evidence that the program is a failure.

April Aymami, CAC Director of Industry Affairs commented that if the Board chooses, they can set a different price than what is used for the budget. She stated that the price number right now is a dollar and fifteen cents (\$1.15) since this was the number used for the budget. If the Board would like to discuss this matter further and chooses to set a higher price as a goal, the Board can do that as the business plan allows for flexibility. There is no set number in the language at the request of the USDA to avoid issues such as price fixing.

Robert Jackson, CAC Board Member asked if there is any historical metrics to evaluate what if any premium California fruit is getting over Mexican fruit. Mr. Melban replied yes, every year this information is reviewed and there is a price differential graph that is provided to the Board on the CAC Dashboard.

Wayne Brydon, Del Rey Avocado commented that the premium is developed by the consumer wanting the California avocados over Mexican avocados because it has a better shelf life, better quality, and better texture. Consumers are the ones that then create the premium for us with the demand.

John Berns, CAC Board Alternate Member, commented that growers want to see the correlation between the marketing assessment, the marketing budget, and the price differential/premium price. Mr. Berns asked that this data be published regularly in the Grove and in the Greensheet, and presented at Board meetings.

Marji Morrow from Rockwell Morrow presented the 2023 Tracking Research information to the Board. Ms. Morrow informed the Board that CAC has been using the tracking study for decades and is usually updated annually. She shared that the total sample for the western markets was over a thousand, so this is a big statistically significant study.

The tracking survey shows that the awareness of California avocados in social media has been steadily increasing since 2021 with a big jump in 2023. The value perception shows that California avocados are more likely than Mexican avocados to be described as quality and paying more for, even though California avocados are more expensive. There is interest with consumers in sustainability with the fact that California avocados being sustainably grown is extremely or very important to the consumers. The top interests of consumers on sustainability are environmentally friendly farming practices, ensuring worker safety and wellbeing, ethically sourced, and locally grown results in fewer carbon emissions.

The key takeaways are that California is still number one in several key measures, continues to be the preferred region, and seen as the best in terms of quality, best tasting, freshest, and most premium.

The 2023-24 Marketing Update presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT D.

#### **ITEM #10 INDUSTRY AFFAIRS REPORT**

Ken Melban, CAC VP of Industry Affairs and Operations informed the Board that he had a few quick items. CAC was successful in petitioning the USDA on the Oriental fruit fly which has been quarantined currently in San Bernadino and Riverside Counties. Hass avocados were listed as a host which would have required treatments of the trees. Based on the Mediterranean fruit fly and Mexican fruit fly, CAC was able to work with the USDA that the information was not consistent and ultimately determined that Hass was not a host for the Oriental fruit fly and the Queensland fruit fly. Jessica Hunter, CAC Board Member asked if GEM and Lamb Hass were affected. Mr. Melban stated CAC is working with USDA to have those varieties changed to non-host also but it is not an easy process.

Mr. Melban informed the Board of the effort underway with the LA Region Water Control Board regarding protocol issues that would be impactful to our growers. CAC is part of a coalition supporting the effort to move this through the courts with the assistance of George Soares' colleagues and he will keep the Board posted as it continues to unfold. Jason Cole, CAC Chairman elaborated that they are trying to change the conditional waiver, setting new discharge thresholds. He commented that because they are not coming to the table with any compromise, we are preparing for a potential legal battle.

Mr. Melban wanted to follow up on the brief conversation on price differential. Rob Grether, CAC Board Member had gone back and reviewed the 2020 winter edition of From the Grove from our previous president, Tom Bellamore, showing a thorough review of the price differentials and price points. Mr. Melban stated that CAC is hearing the comments from the Board about the price, and we will put the updated information out there whether it is positive, negative or neutral.

#### **ITEM #11 – CLOSED SESSION REGARDING THE APPOINTMENT, EMPLOYMENT, EVALUATION OF PERFORMANCE, OR DISMISSAL OF AN EMPLOYEE PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 11126(a)**

California Avocado Commission  
Board Meeting Minutes  
November 16, 2023

*The Board may go into closed session to discuss and make recommendations regarding appointment, employment, or dismissal of an employee – Item 11.a*

Mr. Cole convened a Closed Session of board members, alternates, legal counsel, and the CDFA representative at 12:05 p.m.

*Return to open session and announce action taken in closed session, if any – Item 11.b.*

Mr. Cole returned to open session at 12:39 p.m. In closed session, the Board took action to recognize that Ken Melban, as Vice President of Industry Affairs and Operations, and Terry Splane, as Vice President of Marketing, effective November 16, 2023, will jointly serve as co-executive leaders of the California Avocado Commission.

**ADJOURN MEETING**

Mr. Cole adjourned the meeting at 12:42 p.m. The next regularly scheduled Board meeting will be held on February 22, 2024.

Respectfully submitted,

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Stacia Kierulff, CAC Human Resource Manager

I certify that the above is a true statement of the Minutes of November 16, 2023 approved by the CAC Board of Directors on February 22, 2024.

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Daryn Miller, CAC Board Secretary

**EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES**

EXHIBIT A     November 2023 Board Packet  
EXHIBIT B     November 2023 Board of Directors Orientation Presentation  
EXHIBIT C     November 2023 Code of Conduct and Ethics  
EXHIBIT D     2023-24 Marketing Update Presentation  
EXHIBIT E     November 16, 2023 Board Meeting AB 2720 Roll Call Vote Tally Summary





**CALIFORNIA AVOCADO COMMISSION**  
**AB 2720 Roll Call Vote Tally Summary**  
*To be attached to the Meeting Minutes*

<b>Meeting Name:</b> <i>California Avocado Commission Regular Board Meeting</i>	<b>Meeting Location:</b> <i>Hybrid In-Person – Irvine Online - Zoom</i>	<b>Meeting Date:</b> <i>November 16, 2023</i>
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<i>Attendees Who Voted</i>	<u>MOTION</u> <u>23-11-16-1</u>	<u>MOTION</u> <u>23-11-16-2</u>	<u>MOTION</u> <u>23-11-16-3</u>	<u>MOTION</u> <u>23-11-16-4</u>	<u>MOTION</u> <u>23-11-16-5</u>	<u>MOTION</u> <u>23-11-16-6</u>	<u>MOTION</u> <u>23-11-16-7</u>	<u>MOTION</u> <u>23-11-16-8</u>	<u>MOTION</u> <u>23-11-16-9</u>
Robert Jackson	Nay	Yea	Yea	Yea	Yea	Yea	Abstain	Yea	Yea
Jessica Hunter	Yea	Yea	Yea	Yea	Yea	Yea	Yea	Yea	Yea
Victor Araiza	Yea	Yea	Yea	Yea	Yea	Yea	Yea	Yea	Yea
John Cornell	Nay	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Yea
Rob Grether	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Abstain	Yea
Maureen Cottingham	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Yea	Yea
Rachael Laenen	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Yea	Yea
Jason Cole	Yea	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote
Daryn Miller	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Yea	Abstain
Will Carleton	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Yea	Yea
Peter Shore	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Yea	Yea
Quinn Cotter	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Yea	Yea
<b>Outcome</b>	<b>10 Yea 2 Nay</b>	<b>Unanimous</b>	<b>Unanimous</b>	<b>Unanimous</b>	<b>Unanimous</b>	<b>4 Yea 7 Nay</b>	<b>9 Yea 1 Nay 1 Abstain</b>	<b>10 Yea 1 Nay</b>	<b>10 Yea 1 Nay</b>