

**Oregon Sweet Cherry Commission**  
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REGULAR MEETING MINUTES  
Bette's Place Restaurant Meeting Room  
416 Oak St., Hood River, OR 97301  
Thursday, February 9, 2017 12:00 P.M.

**Call to Order/Introductions**

Dan Crouse, Chairman, called the meeting to order at 12:06 p.m. the following Commissioners consisting of a quorum, including Dan, were present: Stacey Cooper, Jim Markman, Les Stephens, Megan Thompson, Ryan Bond and Leonard Aubert.

Eric Shrum, Western-Ag, Steve Castagnoli, MCAREC, Harry Noah, Yaquina Bay Fruit Processors, Tom Kubitz, Seneca Foods and Dana Branson, OSCC Administrator were also present.

The minutes of the regular meeting held on November 29, 2016 were emailed in advance and available at the meeting. *Megan Thompson moved and Stacey Cooper seconded to approve the minutes as submitted. The motion carried unanimously.*

The financial statements for November, December and January were emailed in advance and available at the meeting. There were no questions. *Stacey Cooper moved and Leonard Aubert seconded to accept the financial reports for all three months as submitted. The motion carried unanimously.*

**Proposal for Technical Audit**

Harry Noah attended the meeting today to discuss a proposal that was emailed in advance to the commissioners. He prefaced his request by saying it was not motivated by dissatisfaction with the OSCC's efforts on behalf of the industry. He explained that he's been growing cherries for maraschino cherries and finishing them for 20 years and paying his assessments. He believes an effort should be made to look at how effective the promotions and research paid for by the Commission have been. He believes the average grower isn't aware of what's being done. He recommends looking at the last 10 years – how much was collected and where has it been spent. He gave an example of research on rootstocks –he would like some data on what has come out of it. He went through in detail the items in the proposal that was sent in advance of the meeting copied here:

Focus of the audit:

- Define the amount of money collected over a ten-year period for each of the categories.
  - Fresh
  - Brine
  - Freezer
- Determine how the money has been spent over the ten-year period for each category.
- Determine the successes or failures for each of the programs.

- If unmeasurable the audit should so state.

#### Measurement of success:

One of the hardest issues for an audit such as this is how to define success. Proposed measures:

#### Horticultural:

- Has the research resulted in a change in how the industry grows cherries?
- Have new varieties of either rootstock or cherries been planted by the growers?
  - Of the research that has been done on new varieties, how much has OSCC funded and how much has come from other sources?
  - How much acreage is using the recommendations of the commission?

#### Promotional:

- Can promotional programs identify direct increases in sales?
- What is the target audience for each of the promotions?
- What would be done by the fresh cherry processors if OSCC did not fund programs?

#### Additional points to consider:

- What are the major issues facing cherry growers in 2017?
- Have cherry growers been asked or surveyed on this question?
- How is the OSCC addressing those issues?

#### Who conducts the audit:

The auditor needs to have no vested interest. At the same time the auditor needs to have a very good understanding of the economics of cherry production and sales.

#### Recommendation:

- Desmond O'Rourke.
  - Retired senior economist from WSU.
  - Former Director of the WSU agricultural research programs.
  - Well regarded consulting economist to the tree fruit industry.

There was much discussion regarding how much this would cost, possible resources, how to conduct it, etc. It was agreed that the request would be researched in more detail for further consideration.

Harry also suggested that the Commission hold a meeting in the Willamette Valley area with a portion of time set aside to invite growers and to ask them what they need, to hear their concerns and share information.

## **Administrator's Activity Report**

Dana reported on an interim update Cheryl Kroupa sent regarding maraschino promotions. The annual meeting for National Cherry Growers & Industries Foundation is scheduled for the afternoon of April 12<sup>th</sup> in Portland. Plans are moving forward to work on projects with Beam and American Beverage targeting the retail market. Cheryl is proposing a business to business promotion targeting fast food McDonald's competitors. She plans to use the market research information regarding the added value consumers put on having a maraschino cherry with their milkshake. Two advertising agencies will be invited to develop proposals for the milkshake idea for presentation. Stacey Cooper shared a few of the highlights from the market research and Dana will contact Cheryl for a summary to possibly use in a newsletter article. Maraschinos are a mature product, but the supply of cherries needed to meet demand still has to be supplemented with imported cherries. Not all commodities are in that position.

The agenda item on collections were discussed later in the meeting.

## **Chairman's Report**

Dan Crouse attended the California Research Review held January 5, 2017 in Stockton, CA. There were four reports on SWD, one on the management of pre- and post-harvest foliar and fruit diseases, one on reducing post-harvest cherry cracking and one regarding existing approaches, challenges and possibilities for mechanical tree fruit and sweet cherry harvesting.

## **Research Committee Report**

OSCC did not vote to fund Cameron Peace's DNA test for Powdery Mildew Resistance and other Traits project or Matt Whiting's pollination project at the November meeting. Washington asked Peace to re-write his proposal narrowing the scope and lowering the price tag. Mike Willet, Washington Tree Fruit Research Commission has contacted OSCC to see if Oregon will reconsider going in on the revised project. There was concern regarding a comment in the proposal regarding the likelihood of a successful trial that led the group not to approve funding on that project.

Dena Ybarra, Washington Commission Research Committee Chair, contacted Dan Crouse asking if OSCC would reconsider putting in some money on Matt Whiting's Precision Pollination project. Dan has some pollen he bought for his orchard that he decided not to use and he offered it to Matt at no cost. The retail value of the pollen is approximately \$5,000. Les Stephens did an on-farm trial with the equipment company Matt's working with and saw improved results. After discussion *Stacey Cooper moved and Jim Markman seconded to contribute 10%, (\$7,457) to Whiting's project. The motion carried with Ryan Bond voting opposed.* Dan was asked to check with Matt to see if he's going to test side-by-side with industry standards such as Retain.

## **OSU Research & Extension Report-Steve Castagnoli**

The Entomology post-doc position application period was extended to the end of January. Thirty-three applications were received and they've been narrowed down to six for phone interviews. The goal is to choose three for follow up interviews.

The College of Ag Sciences pre-proposals for OSU tenure track positions from all 14 on-campus departments and 12 research stations are due February 17. MCAREC will

submit pre-proposals for a Horticulture and an Entomology position. Joyce Loper is still cautiously optimistic that one position will be approved this spring.

The application period for the MCAREC director position closed February 8. The search is being conducted as an internal (to OSU) search. Steve Castagnoli mentioned that he is not involved in the search process because he is an applicant for the position. Jennifer Euwer and Jeff Heater are on the search committee.

The MCAREC Advisory Board met January 13 and developed revisions to the Board Bylaws and Constitution. Castagnoli and Joyce Loper provided updates on operations and staffing plans. The Board also discussed and made a recommendation to Columbia Gorge Fruit Growers Executive Director Mike Doke on funds CGFG has contributed to support faculty salaries. The recommendation to CGFG was to make the full 2<sup>nd</sup> payment for postharvest (Wang) and horticulture (formerly Einhorn) but not entomology (formerly Shearer). The rationale was that work has continued under Einhorn's direction, but entomology research has been suspended.

Steve said like everyone else there's been a lot of snow removal work at the station although some pruning did get done before the severe weather hit.

There was a question regarding the kind of work the post doc Entomology position will be doing. Steve said they will work on applied research on things pertinent to the industry such as SWD, BMSB, CFF and pear psylla. There was a question about who will supervise this person? Vaughn Walton will be the supervisor – there were concerns expressed because he's not located at MCAREC and may not be as familiar with the regional problems and issues. Steve indicated that the MCAREC Director will need to work with Walton and the post doc to get industry input on priorities to make sure that the work is addressing industry needs.

### **Northwest Horticultural Council (NHC)**

Dan Crouse said there hadn't been any meetings since the last OSCC meeting. There is work being done on trying to get more countries to adopt the systems approach for fruit when it's exported from the U.S.

### **Old Business**

A Committee was appointed at the last meeting to work on collections procedures. A conference call was held yesterday with the committee – Jim Markman, Chair, Les Stephens, Ryan Bond, Dan Crouse and Dana were on the call. Minutes from the meeting were handed out. Jim went through the minutes of the discussion and recommendations developed. There was a lot of discussion on the issue of collections in general, including how much revenue is generated by assessments on direct sellers and fruit stands for the amount of effort it takes. The changes will involve an Administrative Rules change process, which takes approximately 90 days to complete. Dana will get started as soon as possible to get the changes in place before the 2017 season. There are questions that need to be researched 1) Is it possible to add on charges imposed on the OSCC from DOJ for collection help? 2) Is it an option to charge fruit stands a flat rate instead of per pound rate for assessments? 3) What if the direct seller files no report at all? Can we still have DOJ send them a letter?

*Ryan Bond moved and Jim Markman seconded to approve the minutes of the Committee meeting. Motion carried unanimously.*

**New Business**

There was no new business.

**Next Meeting**

The next regular meeting will be April 12, 2017 starting at **9:00 a.m.** in the second-floor classroom at the Food Innovation Center, 1207 NW Naito Parkway, Portland, OR. Please note the earlier start time.

**Adjourn**

The meeting adjourned at 2:32 p.m.