

Oregon Sweet Cherry Commission
Regular Commission Meeting
Mid-Columbia Area Research & Extension Center
Extension Meeting Room
3009 Experiment Station Dr.
Hood River, OR
April 11, 2013 10:00 a.m.

Megan Thompson, Chairperson, called the meeting to order at 10:02 A.M. The following Commissioners consisting of a quorum including Megan were present: Steve Sandau, Andrea Galloway, Dan Crouse, Mike Halliday, Stacey Cooper and Bryce Molesworth. Brian Tuck, Mid-Columbia Area Extension & Experiment Center (MCAREC); Eric Shrum, Western Ag Improvement representative; Dennis Hannapel, trade policy specialist from Oregon Department of Agriculture (ODA); and Administrators Dana Branson and LeRoy Nickerson were present. Commissioners Tom Brateng, Jeff Heater and Steve Agidius joined the meeting within ten minutes of the call to order. Kris Anderson, ODA Commodity Commission Program Manager joined the meeting in progress at about 11:30.

Minutes

The minutes of the February 5, 2013 meeting were emailed in advance and available at the meeting. *Bryce Molesworth moved and Andrea Galloway seconded to approve the minutes as submitted. The motion carried unanimously.*

Financial Reports

The financial statements for February and March were emailed in advance and available at the meeting. Dana went through the highlights of activity. There were no questions. *Bryce Molesworth moved and Mike Halliday seconded to accept the reports as submitted. The motion carried unanimously.*

ODA Report

Kris Anderson was at the Mint Commission meeting and did join later to be available for questions. Dennis Hannapel, ODA Trade Policy Specialist introduced himself and gave his background, which includes work with cherries. His current position is evolving, but the purpose is to identify and help remove technical barriers to sales of Oregon agricultural products. He gave a handout and quick overview of where the Food Safety Modernization Act (FSMA) currently stands. He reminded the group that it is still a proposed rule and has not been finalized. His estimate is that it will take up to two years to implement. It is very important for the industry to submit written comments. Note in your correspondence how many people your organization represents because that adds to the importance placed on what you have to say.

Administrator's Report

At the February meeting Dana overlooked getting approval to reimburse Stacey Cooper for attending the National Cherry Grower & Industries Foundation (NCGIF) annual meeting as an OSCC representative this year. John Carter was not able to attend because of a prior commitment. *Andrea Galloway moved and Tom Brateng seconded to approve payment of the expenses. The motion carried unanimously.*

Last meeting, Dana informed the Commission of a brine grower/handler that had not paid assessments for the past two years. She sent an email and report forms and the response from the company was very prompt. The assessments were caught up. The question for this meeting is whether to charge penalty and interest on the late payments. Assessment forms were not sent because Dana did not know the handler had gone back in business. Even though the company should have known to contact the OSCC the response and payment were sent quickly after making them aware. *Stacey Cooper moved and Mike Halliday seconded to waive the penalties and interest for these late payments. The motion carried unanimously.*

Dana went over a draft 2013-2014 budget proposal that was emailed in advance and copies were available at the meeting. She explained the assumptions used. There was discussion about the number of tons for Fresh Market and Frozen and making sure there is enough revenue budgeted to cover for fluctuations in the use of cherries.

During the discussion she explained a situation with a handler that is a concern. The handler has sent money in for assessments, but the accompanying report with the detail of pounds or tons per grower by the use (Fresh Market, Canned, Frozen, Brined) has not been received. Multiple requests have been made and the answer finally received was that the company is undergoing a transition and training to a new accounting system and they couldn't provide the information. Without knowing which assessment rate(s) is being used and the number of tons the OSCC cannot meet their obligation to pay for contracted promotion services. Dana thinks most of the money that's been sent in is for Fresh Market. The contract for Fresh Market promotion services has a due date in October based on the due date for Fresh Market assessments. The Commission is sympathetic to the accounting problems, but the lack of information is affecting the timeliness of payments and the budgeting process. Dana will continue to work with Kris Anderson and possibly the Department of Revenue to resolve the issue.

The amount shown in the 2013-14 budget draft for Research was \$250,000. This is higher than the amount authorized by the Commission during the February

meeting. Dana explained that Washington did not contribute the expected 25% of the total amount of Todd Einhorn's project. California is also contributing \$10,000 to the work and Washington deducted that amount from the total before calculating 25%. This leaves an additional \$7,500 to fully fund the project and that amount takes the total over the \$200,000 authorized. Dana added a little more to the budget to allow for contingent projects that might be requested during the next year. There were no further questions about the assumptions. *Tom Brateng moved and Jeff Heater seconded to approve the draft 2013-14 proposed budget as presented to advertise and carry to the budget hearing. The motion carried unanimously.* Final approval will be at the budget hearing meeting in June.

Dana went through a PowerPoint slide presentation that Cheryl Kroupa, the Marketing Director for NCGIF, prepared and presented at the annual meeting on January 24 in Portland. This is an overview:

The association with Carol Kiscinski and Simply Gluten-Free (SGF) continues to be productive. The company is growing fast and they've expanded to a magazine. The website traffic is still growing. The photography available for our use is first quality and provides good material to update our own website. Carol willingly adapts gluten-free recipes to 'regular' ones for us too.

A copy of the ad for "Natural" maraschino cherries was included in the slides. It was 'generic' without a reference to any one supplier. At the NCGIF meeting the two processors with a natural product wanted time for more discussion on the best use of that.

The response from North American Precis Syndicate (NAPS) and Electronic Color (ECES) for recipes and placements continues to be strong. Recipes and pictures developed by and with SGF work well here. For example, the Florentine cookie recipe generated 2,244 news articles in 51 different states with over 88 million views online. The print placements had an approximate ad value of \$15,768 based on column inch rates. The larger newspapers pick ECES recipes up because it's a full page with color. NCGIF paid \$10,000 for them and the current ad value is over \$408,000.

UPP is still under contract and getting placements in popular shows like "New Girl", "Nurse Jackie", "The Big C", and "Anger Management". Costco used some of the dark, natural maraschinos in a holiday gift pack that was well received.

Jim Beam asked Cheryl to participate in a Distillery Tour, which provided time with and contacts with Food/Beverage Managers of large chain restaurants. The Night Club & Bar show had a great location this last year thanks again to the partnership with Jim Beam. The pictures of the booth showed maraschinos prominently displayed.

Next year Cheryl will coordinate a trip to Oregon with other business (probably the NCGIF annual meeting) and attend an OSCC meeting to go over the promotion program in person. It's been several years since she has been here to meet the Commissioners and for them to get a sense of the work she does.

Chairperson's Report

We need to appoint an OSCC trustee to the Northwest Horticultural Council (NHC) for the coming year. Dan Crouse is serving as the Science Advisory Committee representative and offered to be the trustee also. Dana will notify the NHC. Megan will go with Dan to the annual meeting in May to introduce him.

As discussed last meeting Megan is one of several area growers participating on one of five committees organized by NHC to read through the rules proposed in the FSMA for contradictions, problems and suggestions for improvements. Megan is on the Warehouse Health & Hygiene Committee and Eric Shrum is on the Soil & Water committee. Megan's group found some contradictions between Global Gap & FSMA. In The Dalles growers could be looking at seven-day intervals for water testing. The group is trying to find out if local testing facilities could be used and the possibility of using baseline samples. For example testing irrigation water at the source for all users rather than having each user duplicate the test again at their site. There could be a problem even finding enough labs in the area to meet the need.

Megan attended the FDA Listening FSMA Session held in Portland on March 27. She was surprised by the low attendance. A large amount of the time for the session was devoted to the stories of people that had been impacted by food borne pathogens. These stories are all very tragic and of course no grower would want to cause any kind of illness. There were 3,000 food borne pathogen related deaths in the U.S. last year, however tree fruits were not implicated in any of them. Megan explained that the government food safety rules had not been updated for decades and now this proposal is an attempt to catch up with what the industry is already doing through Global Gap.

The group talked through the bird dropping rule that Costco has for suppliers. Costco requires growers to stop picking if ANY bird droppings are found on fruit or vegetables. This rule doesn't apply to fruit and vegetables that have a "kill step"

in their process – one that disinfects or kills possible contaminants. Brine cherry growers would be considered to have the “kill step”.

Bryce Molesworth’s Commission term is up as of June 30, 2013 and he has chosen not to re-apply for it. This leaves the Vice-Chairman position open. Dan Crouse has offered his services for the position. *Mike Halliday moved and Stacey Cooper seconded to nominate Dan Crouse as Vice-Chairman effective immediately. The motion carried unanimously.* Dana will work with US Bank to change the signature authorization.

Bryce is also stepping down as the Research Committee Chairman. Eric Shrum has volunteered to act as the chairman. Megan accepted his offer and appointed him. Dan Crouse will work with Eric to provide coverage at meetings and to learn more about the process.

Research Committee

Bryce said the funding plan with Washington didn’t go as planned. Dana brought this up earlier in the budget proposal as it related to Todd Einhorn’s project. The Washington Research Committee had some changes in leadership and this may require adjustments on our part in the future.

Bryce also said that we need to communicate our opinion to the Cherry Cultivar Committee that there needs to be some thinning done in the test plots or the maintenance costs will go out of control. Nnadozie is not a horticulturist and he needs guidance. Doesn’t Washington have that same concern? Yes, Dena Ybarra and two other growers were doing walk throughs last year and giving advice, but we should follow up also. Tom Auvil has also been involved in oversight.

At the February meeting Brian Tuck brought a written proposal for funding help with two to three new cherry blocks they’re planning. The proposal is a 3-year project including planting costs, trees and maintenance. After discussion a committee was formed to meet with Todd Einhorn, Peter Shearer and Brian to discuss costs, set up a plan to accommodate the Willamette Valley growers request, timing, varieties and rootstocks. The committee is Mike Halliday, Megan Thompson, Steve Agidius, Tom Brateng, Dan Crouse and Gip Redman.

Megan, Gip, Tom, Mike and Dan met with Brian, Todd Einhorn, Peter Shearer and Yan Wang about their reasoning for the varieties chosen, the projected costs, etc. The varieties were chosen for different reasons – 1) they were trying to fill in the maturity timing gaps with varieties already on the station, 2) Peter prefers the Lapins for insect trials, 3) Attika (aka Kordia) and Skeena were recommended by Lynn Long and were also available at the nursery, finally 4) Benton hasn’t been ordered yet and could still be open for discussion. The Commissioners had

originally thought the planting and tree costs were too high and thought they might be able to suggest some cost savings, but after talking with Brian nothing significant could be changed.

There was discussion about adapting part(s) of the new plantings to accommodate machine harvesting. Tom Brateng said his impression was that the MCAREC staff was not interested in working on this issue. Todd Einhorn explained to the committee that visited he simply did not have any time available to take on another subject. Looking for a graduate student or an intern to work on it was suggested. Tom rejected the idea of talking to researchers in Michigan because they focus on machine harvesting without stems and he wants to increase his harvest with the stem on. Another reason given by MCAREC staff was that there are no harvesting machines in this area – one would have to be hauled here. Tom has donated a machine, but it is an older one. Development of machinery may be best left to a for-profit entity and when no labor is available to hand pick necessity will bring forth the technology.

Brian Tuck brought a cost analysis that he handed out today showing that even with this money from the OSCC not all the costs of the project are covered. He has received his budget from OSU and it is flat; actually less than the previous budget because of PERS increases. *Jeff Heater moved and Dan Crouse seconded to approve the MCAREC request for 2013 for \$20,095. After discussion the motion was amended by Andrea Galloway and seconded by Mike Halliday to add the inclusion of an Advisory Committee role as part of the Financial Assistance Agreement. The motion as amended carried unanimously.* The Advisory Committee and MCAREC staff will develop a plan for the blocks.

The meeting recessed for lunch at 12:12 and reconvened at 12:47.

OSU Research & Extension Report

Brian Tuck reminded everyone about the 100th Anniversary celebration of the Research Station on August 8. He went through some of the events being planned.

Brian has received his budget and it is static - The same amount of money as last year, but more costs to cover. The Higher Ed group (of OSU) was allocated more money than the Statewides (these are the departments like the Research Stations and Extension that service the whole state). Brian is negotiating with the OSU budget office for a larger share of the additional money because as stated earlier PERS costs have increased for all groups. The irrigation filter that was donated by

a combination of Netafilm, Arkal filters, and Bryant Pipe has arrived and is almost installed. It will cut down on maintenance and replacements sprinklers. The filter is an \$18,000 value – a nice gift.

Before moving to Old Business Megan asked for a motion to increase the not to exceed level of research funding approved at the February meeting. It was \$200,000 and with the additional funding not picked up by Washington for Todd Einhorn, a contingent project for Peter Shearer and the MCAREC project the total will go over \$200,000. *Jeff Heater moved and Bryce Molesworth seconded to increase the research funding to not more than \$210,000. The motion carried unanimously.*

Old Business

There was no old business.

New Business

The California crop looks late this year. They are projecting California cherries in the market through July 4th.

The next regular meeting and the 2013-2014 Budget Hearing of the OSCC is scheduled for **Friday, June 7, 2013** in the Boardroom, Building 1, Columbia Gorge Community College, 400 E Scenic Dr., The Dalles, OR 97058. We will start the meeting at 2:00 p.m. following the pre-harvest tour and open the Budget Hearing at 2:15 p.m.

The meeting adjourned at 1:05 p.m.