

**Oregon Sweet Cherry Commission**  
2667 Reed Rd., Hood River, OR 97031  
Phone: (541) 386-5761 FAX: (541) 386-3191

REGULAR MEETING MINUTES

Food Innovation Center 1207 NW Naito Pkwy, Portland, OR  
Wednesday, January 22, 2014, 10:00 A.M.

**Call to Order/Introductions**

Megan Thompson, Chairwoman, called the meeting to order at 10:08 a.m. The following Commissioners, consisting of a quorum present: Stacey Cooper, Dan Crouse, Jim Markman, Andrea Galloway, Steve Sandau, Les Stephens, Jeff Heater. Tim Ramsey joined the meeting at 10:27 a.m.

Also in attendance were Eric Shrum, co-Chair Research Committee and Western Ag Improvement, Kris Anderson, ODA Commodity Commission Program Manager, Camille Holloway, Synergistic Labs, Dana Branson and LeRoy Nickerson, Administrators. Cheryl Kroupa, National Cherry Growers and Industries Foundation Marketing Director and Katie Pearmine, ODA Trade Manager joined at 11:30 a.m.

The minutes of the December 12, 2013 regular meeting were emailed in advance and available at the meeting. There were no questions or corrections. *Jeff Heater moved and Stacey Cooper seconded to accept the minutes as written. The motion carried unanimously.*

The financial reports as of December 2013 were emailed in advance and available at the meeting. Dana went over some of the activity for the month. There were no questions. *Jeff Heater moved and Dan Crouse seconded to accept the financials as submitted. The motion carried unanimously.*

**ODA Report**

Kris has scheduled a meeting of the Commodity Commission Advisory Committee for Feb. 14<sup>th</sup> in Salem to discuss the formula for allocating the costs of ODA oversight to the various commissions. The current cap for the charges is \$36,000 for the largest commission and a minimum of \$750 for the smallest. She reminded us that there are no furlough days required this fiscal year and the wage freeze has been lifted so wage expenses for the oversight program will be higher, but on the positive side there are more people sharing the rent of the building so that cost is lower.

Kris reported the ODA Marketing staff activities – Katie Pearmine attended the Fancy Foods Show in San Francisco. Kris handed out a

list from it with descriptions of the top five food trends highlighted there. There were 33 Oregon companies at the show. Dennis Hannapel and Teresa Yoshioka are on a trip to Vietnam, Malaysia and the Philippines learning about regulations for imports of fresh products to those countries and promoting Oregon products.

### **Administrator's Report**

Mid-December is the due date for assessments on brined, canned and frozen cherries. Most reports and payments were received on time, but there were three exceptions. The companies have normally paid on time and they sent payment promptly after being contacted to remind them. Dana calculated what the penalty and interest for each one would be and provided that to the Commissioners. After discussion *Jeff Heater moved and Andrea Galloway seconded to forgive the interest and penalties for each handler and to write each one a letter detailing the amounts. The motion carried unanimously.*

The issue with the report and assessments from the direct sale handler discussed at the last meeting has not been resolved. The handler contacted the OSCC office by phone after receiving the second request letter. The handler/grower was upset with the second letter because he considered it to be threatening and indicated that he was going to contact Katy Coba. Dana gave him the names of some commissioners and encouraged him to call them to get an explanation of what the OSCC does in addition to attempting to explain it herself. After discussion *Less Stephens moved and Dan Crouse seconded to have the Department of Justice send their form letter to the grower. The motion carried unanimously.*

Dana handed out an estimate of the revenues, expenses and cash balance for the fiscal year end. There were no questions.

### **Chair's Report**

There are four commissioners going to the California Research Meeting in Stockton on January 28, 2014. We were able to discuss the Northwest projects and new proposals with the California representatives at the NW Cherry Research Review and California will be contributing to some of our projects. A dinner meeting is scheduled with California and Washington representatives while everyone is in Stockton so we're planning on good synergy in finding answers to common problems.

### **Research Committee Report**

Dan Crouse and Eric Shrum, Research Committee Co-Chairs, worked with Megan and Dena Ybarra, the Washington Research Committee Chair, to propose some changes to the OSCC research funding voted

on at the last meeting. Washington did not fund a continuing project at the level we anticipated and California's contribution to one project will result in more than was requested. Einhorn's 'Early Season Fruit Set Estimation & Size Potential' project was \$4,645 short of the total request-Washington did not fund at 25% as expected. Wang's 'Extending Storage/Shipping Life' had a transposition error in the first calculation of OSCC's contribution. The total amount requested should have been \$24,466 (not \$24,446) and OSCC's contribution at 75% should have been \$18,350 instead of \$18,335. If California contributes \$8,000, the OSCC amount will be reduced to \$16,466.

On the new projects Washington voted to contribute 10% of the request on Wang's 'Improving Shipping Quality w/ Na and NaCl Sprays' instead of 25% so the OSCC contribution will be increased by \$2,758. Whiting was asked to re-write his proposal 'Effects of Near-Harvest Irrigation'. OSCC had approved up to \$15,000 to cover Einhorn's portion of that project, but his requested portion came in at \$9,352 so OSCC will reduce their contribution to that amount.

There was vigorous discussion regarding the joint funding with Washington and some of the changes the Commissioners have seen over the years. Washington has some other areas where their dollars are being spent. There may be some projects proposed by the California group that OSCC is interested in and hopefully we can build a cooperative relationship with them. There is the potential to leverage data collection by being able to use California's early season and the NW's later season.

The net affect of all the changes above comes to a \$114 reduction in the amount originally approved. *Dan Crouse moved ad Les Stephens seconded to approved the revised amounts as explained. The motion carried unanimously.*

There were no reports regarding the Northwest Horticultural Council or the OSU/MCAREC Extension this meeting.

### **Report-Maraschino Promotion Program**

Cheryl Kroupa, Marketing Director for National Cherry Growers & Industries Foundation (NCGIF), went through a slide presentation of what's happened this year. The year started off with a color picture of a McDonald's shake with a cherry in the Wall Street Journal in January.

For the past several years NCGIF has had a relationship with the Beam Company resulting in opportunities for partnership and leverage in promotional activities. In the past NCGIF participated with Beam in the Nightclub and Bar Shows. There was some uncertainty in the

future of our relationship with Beam due to a change in management. The new managers have worked with Cheryl to find new ways to collaborate. We are now working with Beam on their distillery tours where they bring in their best customers to tour their facilities. Cheryl will not be doing the Nightclub and Bar Shows again – this is a better benefit for us because it's more targeted.

One member processor of NCGIF (not present at the meeting) commented that he went to one of Beam distillery tour events and thought it was very helpful to the industry. It is not a hard sell environment – it's a more intimate relationship with the customer and they really push the cherries. He feels like this a good partnership - "good coat tails to ride". He agreed with Cheryl that this venue is more valuable than the Nightclub & Bar Show. Bourbon is popular again as are cocktails in general.

Beam promoted a new clear bourbon this year called Jacob's Ghost and wanted a white maraschino cherry as part of the promotion. Cheryl was able to get one for them quickly. A question came up about how much alcohol an infused cherry absorbs. An employee for Beam provided an analysis and determined that 15 jumbo infused cherries are equal to one shot of liquor. There was also a cherry infusion program partnering with Beam in Indiana – each state has different laws and regulations - this was designed to fit Indiana.

Patrick Henry Creative Promotions, a partner we've worked with for several years has changed their focus from menu planning and enhancements to financial planning so Cheryl has not been able to work with them much. Since the economic downturn in 2008 restaurants are not changing menus as often so there haven't been opportunities to get more maraschino pictures and drinks on them. Cheryl still keeps in contact with them and partners on events when it looks like a good fit for maraschinos.

NCGIF provided scholarships for CAFÉ Leadership Conference & Development Workshop that we have worked with for several years. The attendees are from cooking schools and institutions such as schools, rest homes and restaurants. This puts maraschinos in the minds of chefs and cooks with recipes and cherry information we provide, plus a signature drink at all breaks.

NCGIF participated in 3 program segments with Small Screen Network this year. Cheryl showed each one featuring Kathy Casey, a well-known mixologist from the Seattle area. She demonstrates how to make unique drinks using maraschino cherries. NCGIF is a contributor on these videos partnering with a company like Vitamix or Maker's

Mark. Small Screen Network is changing their format to a partnership with Microsoft to make 15 second ads. Cheryl said an individual company might want to do this, but it was not something NCGIF would pursue so this will be the last year with this program.

Simply Gluten Free (SGF) has been a very good partnership. The recipes are good and Carol Kicinski has adjusted many of them to use traditional ingredients also at no additional cost. The photography she provides is excellent and we are able to use it in the ECES pages and NAPS. Photography alone for a recipe can run into thousands of dollars. NCGIF contracts for 12 recipes with photos for \$7,200 per year. The SGF magazine distribution has grown 389% in one year and is the #5 selling magazine in health food stores.

ECES is the company that does the large color inserts for holidays and such. It costs around \$25,000, but the ad value is many times that amount so it's a good return. NAPS is a black and white 2-column format. Cheryl writes up the editorial around a recipe and newspapers in 50 states can pick it up for filler in their publications. These are usually smaller towns and rural areas. For example the recipe for Black Forest Cookies ran in 2,196 articles with a readership of 2,149,344 and an ad value of \$6,981. This is for just one month. The results for the Cherry Brownie Pizza were more impressive with an ad value of \$72,479 over 4 ½ months. There are some recipes from 2012 that are still being picked up also. This is another way NCGIF uses the recipes and photographs developed by Carol Kicinski of SGF.

NCGIF has a contract with UPP Entertainment Marketing and has used this firm for several years. They place generic, unbranded products in TV shows. Most TV shows will not use branded products because they want branded products to buy ads. Television advertising is out of NCGIF's price range at \$250,000 per 30-second slot and more depending on the show. The whole NCGIF budget is about \$300,000. Cheryl showed several placements in popular TV shows by UPP, such as "How I Met Your Mother", "Two and One Half Men", "Modern Family" and "Michael J. Fox Show". We are in the final year of our current contract with them.

There were no questions for Cheryl, but the commissioners were encouraged to contact Dana if they ever do have questions.

### **Miscellaneous**

Luis Hernandez from Cultiva LLC, a company that sells a rain cracking suppressant gave a short presentation on his product. It is a biofilm based on SureSeal, which was developed at OSU. It is edible, tasteless and colorless. He came to the meeting today as a way to

make contact with growers and get information about his product out to them. For more information about the company and product go to [www.cultivaipm.com](http://www.cultivaipm.com).

There was no old or new business. The meeting adjourned at 1:30.

**Next Meeting**

The next regular meeting will be Wednesday, April 9, 2014 at the Hood River Extension Office meeting room, 3005 Experiment Station Dr., Hood River, OR 97031 beginning at 10:00 a.m.