

California Walnut Board

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CALIFORNIA WALNUT COMMISSION

INTRA INDUSTRY COMMUNICATIONS COMMITTEE MEETING MINUTES

Thursday – December 4, 2008

The California Walnut Commission Intra Industry Communications Committee met on Thursday – December 4, 2008 at the CWB/CWC offices in Folsom, CA. The meeting was called to order at 10:20am by Chairman Jerry Moore. Ms. McConico called the roll and the following committee members were present:

Jerry Moore
Bill Crain
Jeb Headrick
Jim Hudson
David Keyawa
Bruce Lindauer
David Miller

Ms. McConico informed the Chairman that a quorum was present. Committee members Bert Crane, Ren Fairbanks and Lee Swall were absent. CWC staff members Michele McNeil and Anne McConico were also in attendance.

The first order of business was the approval of minutes for the December 6, 2007 CWC Intra Industry Communications Committee meeting.

Chairperson Moore asked for a motion to approve the minutes of the December 6, 2007 Intra Industry Communications Committee meeting. Mr. Bruce Lindauer so moved. Mr. David Keyawa seconded. The motion carried unanimously.

Chairperson Moore asked Ms. McNeil to proceed with the next agenda item. Ms. McNeil stated the purpose of the meeting is to discuss objectives for the 2009 grower presentation to be given at the various county meetings. The grower meetings are a good opportunity to reach out to the 800-1,000 walnut growers who typically attend. Key components of the presentation include the crop, the current marketing situation, health research, and the grower referendum which will be conducted in the spring. Ms. McNeil then recapped the prior year's presentation trend lines and a chart showing the average return per acre. Last year's presentation highlighted the U.S., Canada, Germany, Korea and Japan as well as discussion on projects funded under production and post harvest research. She said that due to the limited time allotted for presentations, a handout was also available at the meetings to cover the active markets. Ms. McNeil inquired whether the Committee would like to continue the current presentation format or if they preferred going in a different direction.

After some discussion regarding the state of the economy and the difficulty experienced moving product due to the large walnut supply worldwide, the Committee suggested an important part of the presentation should be to discuss the market situation. They also wanted the presentation to include historical production numbers and a slide showing what some of the foreign countries are producing. The Committee felt this would show the average grower some of the challenges being

faced. All agreed health research and information about medical journal publications would be beneficial information to include in the presentation.

Ms. McNeil recapped the presentation would begin with the market situation in the U.S. and overseas markets, discussion about where we are with production, and secondarily some of the health research activities. She suggested talking about the referendum and why it is important to vote and mentioned this would tie in with the market situation discussion earlier in the presentation.

Mr. Keyawa inquired about the possibility for a few members of the Intra Industry Communications Committee to visit some of the primary growing regions in other countries during their growing season to see firsthand what the crop is like. Ms. McNeil responded that typically we rely on USDA/FAS to provide us with reported estimates based on research performed in the field. She pointed out these are the numbers Mr. Balint speaks of during the fall and winter meetings. She also stated a delegation visited China last year and a trip report is available to the committee members. Ms. McNeil said she would take their recommendation to visit other countries early in the walnut growing season to the CWB/CWC Market Development Committees for consideration.

There was discussion with regard to increasing domestic consumption. Ms. McNeil explained that due to the change in economic conditions the CWB/CWC Market Development Committees decided to redo the domestic Predictor research in the summer. The numbers did not play back as strong because consumers are being cautious about their spending. As a result, the CWB/CWC Market Development Committees decided not to spend additional money for marketing domestically until the price situation with the crop stabilizes. Ms. McNeil inquired whether the Committee wanted to expand information regarding what is being done domestically. A committee member stated 70% of the crop is overseas therefore it is important to let the growers know who is buying or why they are not buying and to determine if this is due to the world market situation or the dollar exchange compared to last year. A suggestion was made to include a slide showing the dollar exchange as well as production in other countries to help the growers see the broader economic situation when comparing 2006-2007 to 2007-2008.

Ms. McNeil emphasized that the U.S. Market is still our number one market. We receive funding for the export markets through the federal government and typically match dollar for dollar. She said the export market accounts for 46% of the crop and has to be spread around as equally as possible. Ms. McNeil pointed out that many of the activities are long term investments, i.e. public relations, as we continue to work with trade and retail to promote the product. She stressed if we do not continue the investment to keep consumer awareness up it will be difficult to gain those customers back when we have product in the market again.

There was some discussion regarding trade policy issues and regulatory matters. The Committee agreed it would be beneficial to discuss matters such as Manex and the critical use exemption for Methyl Bromide and the push to curtail its use in 2010, as some of the growers may not be aware of the situation.

Chairperson Moore directed staff to put together the grower meeting presentation for his review and he will share the information with the Committee for finalization.

Ms. McNeil proceeded with agenda item V. Other Methods of Communication. She stated the newsletter publishes three times a year with special newsletters as needed. This continues to be an effective tool in reaching out to the growers. She also mentioned our website is going through an overhaul and should be up and running in early spring. The grower/handler page will be user friendly for those interested in buying with easy access to the handler list. Another item being updated is the Buyers Guide. This will contain an industry overview, some health information and a size and color chart. These will be available at the grower meetings.

Chairperson Moore proceeded to agenda item VI, Other Business. There was discussion about Korean duty and Ms. McNeil stated the plan continues to be to take the Free Trade Agreements in the order in which they were negotiated with Korea coming after Columbia. She explained that Columbia has many issues pertaining to labor. She said it is also difficult to determine what will take place once the new administration takes control.

The time and place of the next meeting will be determined at a later date. The meeting was adjourned by Chairperson Moore at 11:45am.