

California Walnut Board

101 Parkshore Drive, Suite 250

Folsom, CA 95630-4726

(916) 932-7070

(916) 932-7071 Fax

info@walnuts.org

An Equal Opportunity Employer and Provider



CWB Budget & Personnel Committee and CWB Export Committee *Meeting Minutes December 8, 2009*

A joint meeting of the California Walnut Board's Budget & Personnel Committee and Export Committee was held on Tuesday, December 8, 2009 at the Embassy Suites Hotel in Sacramento. Export Committee Chairperson Jack Gilbert and Budget & Personnel Committee Chairperson Bill Carriere called the meeting to order at 3.31 p.m. Ms. Dana Steindorf called the roll. The following members were present:

Export Committee

Jack Gilbert, Chairperson

Earl Lindauer

Pete Turner

Budget & Personnel Committee

Bill Carriere, Chairperson

Jack Gilbert

Jack Mariani

Export Committee member Steve Giovannoni was absent. Ms. Steindorf informed both Chairpersons that a quorum was present for each committee. CWB staff members in attendance were Dennis Balint and Dana Steindorf. Also in attendance were: Board and Commission members Sam Keiper, Frank Guerra, Bob Driver and Chuck Crain; and Gary Ford, Gail Santana and Kathryn Heimann of DFA.

The first order of business was the approval of the minutes from the Export Committee meeting held on September 10, 2009. Mr. Turner made a motion to approve the minutes. Mr. Lindauer seconded the motion and it carried unanimously.

The next order of business was the approval of the minutes from the Budget & Personnel Committee meeting held on August 31, 2009. Mr. Gilbert made a motion to approve the minutes. Mr. Mariani seconded the motion and it carried unanimously.

The next item on the agenda was Direct Sales by Growers. Mr. Balint stated that he called both committees together because the jurisdiction over the situation cannot be determined until it is decided what should be done. He explained the situation before the committees: some growers have been approached at the huller by buyers, specifically from Turkey, and selling product direct. This means that they have bypassed inspection and by bypassing inspection, they have avoided paying assessments to the Board. Further, the volume of product has not been reported to the Board for inventory or shipments. This constitutes several violations of the federal marketing order.

Mr. Balint stated that he was in Washington, D.C. when he was informed of this situation. He met with our administrator, Raine Pegg, and Bob Keeney. Mr. Keeney provided direction to Mr. Balint on how to address the problem by sending a letter to all growers indicating what the

grower responsibilities are and when they cross the line and become a handler. The letter that was sent out from the Board also included a return reply postcard that asked each grower to verify that they understand the content of the letter. As a result of the letter, the Board is going to follow-up on a couple of cases that have been brought to our attention including one grower that we believe was selling direct. Mr. Balint stated that he will be investigating that case and hopes to have a meeting with that grower soon. He asked the committees what they think we should do for next season—should there be surveillance, should we do spot audits?

Mr. Mariani stated that the grower meetings are coming up and it could be an important agenda item for those meetings. He thinks that we have to be pro-active on this going into the fall. Mr. Keiper commented that the first round of communication was effective, but relatively soft. He thinks that it could be followed up with more detail on what it means to be a handler and explanation about the exemptions. Mr. Balint stated that the purpose of this letter was to go on record and the intention was not really to educate so much as to flush out potential violators. He does agree that we need more in the way of education. Mr. Keiper stated that the next wave of communication should also go to the dehydrators/hullers.

A discussion ensued about which committee on the Board should handle the issue of direct sales (growers putting product directly into the stream of commerce). The committees agreed that Grades & Standards would be the most logical due to the food safety issue (non-inspected product being sold). There was further discussion on the definition of a huller and whether the Board can require reporting from huller operations. Mr. Balint commented that the Board and Commission have no authority over the two target groups involved in these transactions – the hullers and the buyers. Mr. Balint stated that if there are any regulations that the Board wants to put in place, there must be rules, either formal or informal, in the marketing order.

Under other business, Mr. Balint stated that USDA gave us an exemption on the Livermore variety of walnuts; they are not covered under the order. Livermore walnuts cannot be inspected because of the red color of the meat.

The time and place of the next meetings will be left to the discretion of staff and the Chairpersons. There was no need for an executive session of the Committees. Hearing no further business, the Chairpersons adjourned the meeting at 4:30 p.m.