

Walnut Marketing Board

101 Parkshore Drive, Suite 250

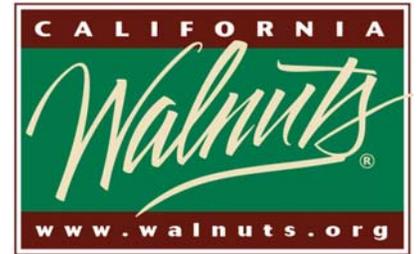
Folsom, CA 95630

Phone: (916) 932-7070

Fax: (916) 932-7071

info@walnuts.org

An Equal Opportunity Employer and Provider



WALNUT MARKETING BOARD GRADES & STANDARDS MEETING MINUTES Thursday – May 31, 2007

The Walnut Marketing Board Grades & Standards committee met on Thursday, May 31, 2007 at the Radisson Hotel in Sacramento, California. The meeting was called to order by Co-Chairpersons Pete Turner and Steve Lindsay at 7:30 a.m. The roll was called and a quorum established. The following members were present:

Peter Turner
Steve Lindsay
Chuck Crain
Sam Keiper
Dennis Mariani
Frank Morgan
Rich Novy

WMB Grades & Standards Committee member John Casazza was absent. Also in attendance were Shereen Marino and Duane Lindsay and CWC staff members Dennis Balint, Dana Steindorf and Anne McConico.

The first order of business was the approval of the minutes from the Grades & Standards Committee meeting held on September 7, 2006. Mr. Keiper made a motion to approve the minutes. Mr. Dennis Mariani seconded and the motion carried unanimously.

Mr. Steve Lindsay proceeded with agenda item 4, Discussion and approval of DFA sample size. He pointed out that inspections call for 200g samples to be collected on lots of 1000 lbs every 30 minutes. He said a number of changes have taken place since the Grades & Standards manuals were developed by the DFA and USDA such as integrated test management models, new varieties from pre-production with disease resistant characteristics, and sorting technology. Something to be considered in light of these changes would be relaxing the current standard of a 200g composite sample pulled from 1000 lbs every 30 minutes to a 200g composite sample pulled from a maximum 5000 lb lot, depending on what is being run and the technology being used.

Mr. Balint stated if it is a decision within the industry, the Committee would make the recommendation to the full Board and the full Board would pass the language to be modified. He cautioned that in order to make sure this would not take away other benefits the industry might seek through modifications, specifically dual inspections, that the full Board approve the modified language at the next Board meeting.

Discussion continued regarding current and prior technology. Mr. Crain pointed out that product is being put out with 1/20th the defect level of 10 years ago. He said the larger volume

handlers need the ability to move product in large amounts, reduce costs and create efficiencies by utilizing technology to its maximum.

Mr. Novy inquired whether the change could be made to the DFA manual. Mr. Crain suggested moving forward as long as the standards are not being jeopardized and answer questions as they arise.

Mr. Crain made a motion to recommend that the Board implement the proposed change to the DFA manual from pulling a 200g composite sample from 1000 lbs to pulling a 200g composite sample from a maximum of 5000 lbs. Mr. Keiper seconded and the motion carried unanimously.

Mr. Steve Lindsay proceeded with agenda item 5, Other Business. Discussion proceeded about a motion made in July of 2006 regarding product smaller than 8/64th round hole screen being inspected to the standards of the product one size larger, excluding color. Mr. Balint pointed out that a standard could not be set through the Walnut Marketing Board until the referendum occurred and the order is in place.

Duane Lindsay spoke about methyl bromide and sulfuryl fluoride. He pointed out that handlers have had problems with live infestation after using sulfuryl fluoride and in Canada the rating of ozone depletion and sulfuryl fluoride is far above that of methyl bromide. He mentioned equipment that can be built to assist in scavenging methyl bromide from the pre-plant arena as well as the post harvest arena. Mr. Lindsay stated his concern is that sulfuryl fluoride will not give the turn around time or efficacy needed at harvest since the fumigation times are between 4 to 6 hours. He stated information regarding these concerns is being provided to the EPA to pass along to the committees deciding whether we receive our critical use exemption.

There was discussion regarding UN/ECE and our in-shell product. Mr. Duane Lindsay stated Dr. Bickelman, head of the German delegation, has a concern for the consumer and would like to change the tolerance within the standard to be the same for all tree nuts. Currently the tolerances within the standard are for in-shell product manageable. He stated Dr. Bickelman would like to move from 3-4-6 down to 0.5-1-2 for mold on in-shell walnuts. Mr. Balint mentioned a study conducted in which 1100 German consumers were asked questions regarding their satisfaction with the quality of California Walnuts. The results were in the 93%-96% satisfaction range which would indicate there is not a consumer issue.

Discussion ensued regarding the color chart. The UN/ECE would like the industry to finance an international color chart. Production costs would be between \$15,000 and \$20,000. There was question whether the color chart should come from INC for a more global perspective. Mr. Balint pointed out our need to have 2 people present to watch the print run and assure the color is maintained from beginning to end. Mr. Keiper stated he would like to see us stay the course and not pass it along to a third party. Mr. Balint stated this is an export issue and should be passed on to the Commission.

Mr. Turner then mentioned a letter from Dr. Dave Ramos supporting a request for funds to study microbiological concerns in walnuts. Mr. Duane Lindsay recommended declining. He explained history demonstrates that microbiologically the walnut industry does not have the salmonella or e-coli problem others in the industry encounter because the walnuts are harvested and processed differently.

The time and place of the next meeting will be determined at a later date. There being no other business, the meeting was adjourned at 8:42 a.m.