

California Walnut Board

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MARKETING ORDER REVISION COMMITTEE MEETING MINUTES

Wednesday, June 5, 2013

The California Walnut Board Marketing Order Revision Committee (MORC) met via teleconference on Wednesday, June 5, 2013. Committee Chairperson Jerry Siebert called the meeting to order at 2:33 p.m. Ms. Steindorf called the roll and established a quorum. The following Committee members were present on the call:

Jerry Siebert, Chairperson
Jack Gilbert, Vice-Chairperson
Bill Carriere
Chuck Crain
Bob Lea
Jack Mariani
Donald Norene

Committee member Bill Tos was absent. Also on the call were Board member Frank Guerra and grower Sue Hyder; and attending at the CWB office were CWB staff members Dennis Balint and Dana Steindorf and Andrea Ricci of USDA/AMS.

The first order of business was the approval of the minutes from the last MORC meeting held on January 17, 2013. Mr. Norene made motion to approve the minutes as mailed, Mr. Gilbert seconded the motion and it carried unanimously by roll call vote.

Chairperson Siebert moved on to the next agenda item, Walnut Receipts on MMR. Mr. Balint explained that the Committee is re-visiting this issue as a result of a discussion at the Winter Meeting in February; there was some disagreement over the value and possible harm that reporting this number can do. Mr. Mariani asked Mr. Balint to review the pros and the cons of the issue as discussed at the Winter Meeting. Mr. Balint stated that from our standpoint, reporting the receipts gives the industry a crop number about a month earlier than waiting for the January crop acquisition report. The problem in the two years that we have been reporting the number is that the crop number that we publish from the CWB acquisition reports and the number we report as monthly receipts usually do not match at the end of December. Gradually over the next several months (January through April), the numbers come together. The concern was that, by announcing a large number in December 2012 (a number that was 25% more than the CASS estimate released in September 2012), it suppressed the market. On the other hand, the argument for reporting the number is that it tells us a little earlier what we are dealing with for the crop.

Mr. Balint stated that from staff standpoint, one annoying aspect of reporting the receipts number is that we always have to explain why the numbers (Acquisitions vs. Receipts) do not match. The members of this Committee are engaged enough in the industry to understand how

the numbers correlate, however, others in the industry may not. Mr. Mariani stated that the more information we get earlier that is accurate, the better off everyone is in the industry including handlers, growers and customers. Looking back on this year, Mr. Mariani stated that the opening prices were higher than they probably should have been, however, the market began to adjust itself once it was realized there were 30,000 tons more than anticipated. Mr. Crain commented that it does introduce a neutral number to the trade that eliminates the impression that the processors are playing down the crop size to increase price. He believes that the negative aspects of not having the receipts number reported would be more profound. Mr. Guerra commented that he was one of the Board members that brought the issue up at the Winter Meeting and after further review, he agrees that the number is useful.

After further discussion, the Committee concurred that the receipts number should continue to be collected monthly with the shipment reports from handlers. Mr. Carriere made a motion to that effect, Mr. Norene seconded the motion and it carried unanimously by roll call vote.

The time and place of the next meeting will be determined by the Chairperson and staff. There was no need for Executive Session. Hearing no further business, Chairperson Siebert adjourned the meeting at 3:00 p.m.