



Marketing Update

News from the Marketing Branch

Volume 7, Issue 1
Spring 2016

Meet our new Economists!

Kacie Fritz and Justin Ellerby joined the Marketing Branch as Economists in January. Kacie has her Master's Degree in International Agricultural Development from U.C. Davis and has worked at the Vines of Mendoza, an Argentina-based firm that manages winegrape production, processing and marketing for property owners. Justin holds a Bachelor's Degree in International Agricultural Development from U.C. Davis, and recently received his MBA from Cape Breton University. He was formerly employed with the California Center for Cooperative Development, where one of the projects he was most proud to have worked on was an extensive research and outreach project serving California's dairy industry.



New Marketing Branch Economists Kacie Fritz & Justin Ellerby

Program Reassignments

The Branch is grateful to have two new Economists on board and ready to take on program assignments. We have linked a new roster of program assignments [here](#) for your review. Kacie and Justin began working with their assigned programs over a month ago while being mentored by the Economists that were assigned to each program. Kacie and Justin have progressed quickly and are ready to "fly solo." This is due in large part to a rigorous training program designed and implemented by Economist Amy Uber.

In this Newsletter

- ~ Branch News
- ~ CEO Executive Committee Update
- ~ Continuation Hearings and Referenda
- ~ Marketing Program News
- ~ Litigation Update
- ~ Reminders
- ~ Job Announcements

New Auditor and Office Technician Join the Marketing Branch



Thanh Tonnu and Denise Ludwig-Sanchas

Thanh Tonnu joined the Marketing Branch on January 4th as an Auditor I to replace Dan May, who left the Branch late last year. Thanh has a Bachelor's Degree in Business Economics from U.C. Davis. Thanh has also worked for the Department's Financial Services Branch as a Student Assistant. Thanh is working with Michelle Lam to complete assessment audits requested by our Boards, Councils and Commissions. They expect to complete close to 150 audits this year.

Denise Ludwig-Sanchas also joined the Marketing Branch last September as an Office Technician. She helps the team providing clerical support with referendums, balloting and mailings, answers the branch telephone and provides other general administrative and accounting functions. With these staff additions, the Marketing Branch is now fully staffed.

Richard Estes leaves CDFA Legal Office

After 15 years, former Staff Counsel Richard Estes has moved on from CDFA's Legal Office. Richard started his new position with the Department of Social Services earlier this month. Richard worked with the Marketing Branch on many of our program's legal referrals over the years, and he will be greatly missed.

CEO Executive Committee Begins Work on Policy Review

The Program CEOs Executive Committee has met twice since the beginning of the year. The Committee Members are: Alex Ott (Apple and Blueberry Commissions), Donn Zea (Dried Plum Board), John Talbot (CMAB), Kasey Cronquist (Cut Flower Commission), Tammy Anderson-Wise (Dairy Council), Tim Johnson (Rice Commission) and Tom Ramme (Processing Tomatoes, Garlic and Onion Boards).

Topics the Committee has discussed include Bagley-Keene notice requirements for conference calls, the need for quick legal guidance regarding personnel issues, amendments to the *Accounting Guidelines and General Rules*, and the *Department's Policies for Marketing Programs* (Policy Manual). The comprehensive review of the Policy Manual will hopefully be completed and a new 5th edition released by the end of 2016. The Committee plans to meet every quarter. To read the complete notes from both meetings, please see attached.

Continuation Hearings/Referenda for 2016

Upcoming Referenda:

The following programs are scheduled to undergo continuation processes before the end of the year:

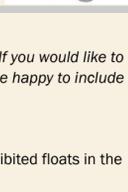
PROGRAM	CONTINUATION PROCESS	DATE (est.)
Celery Research Board	Hearing	June 7, San Luis Obispo
California Milk Processing Board	Industry Vote	October
California Cherry Marketing and Research Board	Industry Vote	November

Completed Referenda:

The [California Avocado Commission](#), the [California Wild Rice Advisory Board](#) and the [California Raisin Marketing Board](#) successfully completed their referendum processes earlier this year. All three programs received strong support from their industries and will be continued for another five years.



If you would like to learn more about continuation processes or would like to confirm when a given program will be up for continuation, please contact the Economist for that program.



News from the Marketing Programs

The following articles are examples of interesting activities of California Marketing Programs. If you would like to share the interesting things you are doing, please contact the Marketing Branch and we will be happy to include your story in the next Marketing Update.

Two Marketing Programs Exhibit Floats in the 2016 Rose Parade

The [California Milk Advisory Board](#) (CMAB) and the [California Cut Flower Commission](#) both exhibited floats in the 2016 Rose Parade, held in Pasadena on New Years Day.

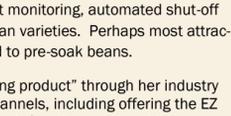
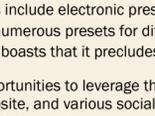
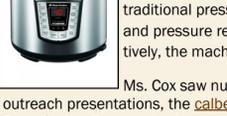


The CMAB's float, entitled "Adventures in Real Food" featured a flowing river of milk rapids. Riders rafted atop the rapids on buttery grilled cheese sandwiches, a baked potato topped with butter and sour cream and a cheesy pizza. At the front of the float a banana split "satellite" unit featured two scoops of ice cream with a cherry on top. 2016 was the first year the CMAB has exhibited a float in the Rose Parade.

The California Cut Flower Commission teamed up with Miracle-Gro to create the "Life Starts Here" float. Featuring a mission landscape with trees laden with oranges, and home-grown flowers, the float's sensational display of California-grown flowers represented all farming regions of the state. Along with TV personality Ty Pennington, flower farmers rode the float.

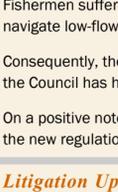
Twenty four trophies are presented to the parade's 44 float entries, recognizing such elements as creative design, floral craftsmanship, artistic merit, computerized animation, thematic interpretation, floral and color presentation and dramatic impact. The CMAB's "Adventures in Real Food" float was recognized with the Tournament Special Trophy, honoring "Exceptional Merit in Multiple Classifications." The "Life Starts Here" float was also recognized, receiving the Governor's Trophy for "Best Depiction of Life in California."

Both floats also received a special designation certifying it as "California Grown" in recognition of the use of over 85 percent flowers and foliage from California growers. The California Grown certification from the California Cut Flower Commission was presented in a special ceremony attended by Secretary Ross.



Thinking Outside the Pot: Marketing through "Enabling Products"

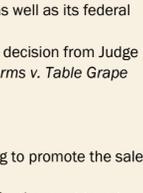
Ease of preparation for time-strapped consumers can be a significant barrier to increasing demand for many types of produce, but perhaps none moreso than dry beans. Despite their attractive nutritional profiles, versatility, and affordability, dry beans are often seen as not being as convenient to prepare at home as fresh produce.



However, Ali Cox & Company, marketing agency for the California Dry Bean Advisory Board, discovered the EZ Bean Cooker®, an automated electric pressure cooker that purports to make preparing beans a more attractive proposition. The Cooker's touted advantages over traditional pressure cookers include electronic pressure/heat monitoring, automated shut-off and pressure release, and numerous presets for different bean varieties. Perhaps most attractively, the machine's maker boasts that it precludes the need to pre-soak beans.

Ms. Cox saw numerous opportunities to leverage this "enabling product" through her industry outreach presentations, the [calbeans.org](#) website, and various social media channels, including offering the EZ Bean Cooker® as a prize in a contest challenging participants to "nominate" their favorite "mommy bloggers" (an important class of food and nutrition opinion leaders). If consumers were to adopt such appliances on a broad scale, then it might well amount to a hill of beans.

Hard Times for the California Salmon Industry



The beginning of May is the opening of commercial salmon season each year in California, but this year fishermen are facing bleak prospects. At the end of April, federal fishery regulators laid out new restrictions on the state's commercial salmon fishing season, which is expected to cut fishing opportunities by as much as half compared to last year. The regulations were put in place to protect fish devastated by drought-depleted rivers and warming coastal waters. About half of the projected fall-run Chinook are estimated to be at sea now. The new regulations are also meant to protect the endangered winter-run Chinook, which cross paths with their fall-run counterparts. Fishermen suffered a poor 2015 season, and this season California's drought took its toll as salmon struggled to navigate low-flowing rivers and a warm "blob" of ocean water disrupted their food supplies.

Consequently, the [California Salmon Council](#) is feeling the effects. With assessment income down nearly 65%, the Council has had to make drastic budget cuts and suspend nearly all activity.

On a positive note, fishermen are reporting better conditions so far this year than they saw last year. Hopefully the new regulations will have the desired effect and stocks will rebound quickly.

Litigation Update

Duarte Nursery, Inc. v. Grape Rootstock Improvement Commission:

Summary: Plaintiff alleges that the collection of assessments for funding the Grape Rootstock Research Program violates its state and federal constitutional rights of free speech and association as well as its federal constitutional rights of due process and equal protection.

Current Status: Duarte filed a Petition for Further Review to the California Supreme Court, which was denied on November 24, 2015, bringing the case to a close. This case is now a final published decision in favor of Commissions.

Bidart Bros, Inc. v. California Apple Commission:

Summary: Plaintiff alleges that the collection of assessments for funding generic advertising to promote the sale of apples violates its state and federal constitutional rights of free speech and association as well as its federal constitutional rights of due process and equal protection.

Current Status: Summary judgment arguments were set for early April 2016, but a tentative decision from Judge Simpson in Fresno stayed the case until the Supreme Court issues its decision in *Delano Farms v. Table Grape Commission*.

Delano Farms v. Table Grape Commission:

Summary: Plaintiff alleges that the collection of assessments for funding generic advertising to promote the sale of table grapes violates its state constitutional rights of free speech and association.

Current Status: The case before the California Supreme Court is fully briefed and is waiting for the court to set oral argument. The length of time to set oral argument varies, but could be up to a year.

Raisin Marketing Program:

Summary: Plaintiff alleges that the collection of assessments for funding generic advertising to promote the sale of raisins violates its state and federal constitutional rights of free speech and association.

Current Status: In October 2015, the Third Appellate District Court ruled in favor of the Raisin Marketing Program on the challenge to the decision issued by the Sacramento Superior Court in 2013 regarding the consolidated complaints filed by four raisin grower-handlers. As a result of the Appellate Court's decision, the case has been remanded to the trial court, which is now in the process of reviewing briefs to determine whether oral arguments are in order as part of the re-evaluation of the case. If oral arguments are held, the trial court's decision can be expected 90 days after that part of the process; if the court decides that oral arguments by the parties are not necessary, a decision would likely be released by the summer.

Amicus Brief Submitted to the State Supreme Court regarding the Delano Farms v. Table Grape Commission Suit

On July 22, 2015, the California Supreme Court agreed to hear an appeal filed by four table grape growers challenging the constitutionality of the California Table Grape Commission. The growers argue that the mandatory assessments that fund a generic advertising program for table grapes violates their free speech rights under California's State Constitution. The challenge, first filed in 1996, has been litigated for 20 years.

The California Table Grape Commission Law, enacted in 1966, was the first agricultural marketing commission law established in the State. Since then, the Legislature has enacted well over twenty other commission laws in Division 22 of the California Food and Agricultural Code. When the individual commission laws are combined with the individual council laws and marketing orders established under the California Marketing Act, there are 51 active commodity marketing programs in the state.

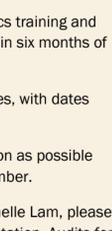
When the State Supreme Court announced that it would hear the appeal of the Fifth District Appellate Court ruling in favor of the Commission, the Department determined that it should file an amicus brief with the Court to ensure the Court is aware of the number and variety of commodity marketing programs that operate in California. Each program is unique regarding the commodity regulated, the size and composition of its board of directors, its combination of advertising activities, and the manner and degree of State supervision.

The Department requested that the Attorney General's Office (AGO) prepare the brief on behalf of the Department and its marketing boards and councils. The AGO agreed to prepare the brief and the Department's legal office worked with the AGO on the brief, which was filed with the Court on February 17, 2016. A copy of the brief is attached.

The AGO cost for preparing and submitting the brief totaled \$55,352.50, which was charged to the Marketing Branch. These costs will be prorated to all boards, councils and commissions (except the Table Grape Commission) and will be spread over the next three months of invoices.

Reminders

Form 700: If you haven't turned in your Form 700s yet, they were due to the FPPC by April 1st. A verification list of members' and alternates' filings was due to the Marketing Branch by May 1st. Please turn these into Beth Jensen, at Beth.Jensen@cdfa.ca.gov, if you haven't done so already.



Report of Account Balances: If you are a Marketing Order, Agreement or Council your Report of Account Balances is due by August 3, 2016.

Ethics Training: For Marketing Orders, Agreements and Councils, members must complete ethics training and submit the certificate to your program executive. **NEW** members must complete the training within six months of assuming their position. **CONTINUING** members must complete the training every two years.

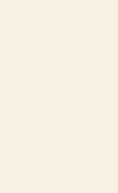
Program executives should retain the signed original certificates. A list of members and alternates, with dates they completed the training, must be emailed to Beth Jensen at the Marketing Branch.

Board Rosters: Please submit a current board of directors roster to the Marketing Branch as soon as possible after any changes are made. Please include address, phone and email information for each member.

Assessment Audit Requests: If you haven't turned in your assessment audit requests yet to Michelle Lam, please do so. Our goal is to resume audits of all handlers for our Boards and Councils on a three-year rotation. Audits for commissions are based on requests received. Handlers that have consistently clean audits will be audited less often while handlers with exceptions noted in their audits will be audited more often. Please contact Michelle Lam at michelle.lam@cdfa.ca.gov for more information.

Job Announcements

California Walnut Commission: The [California Walnut Commission](#) is seeking an Executive Director/CEO who will work side by side with the current Executive Director/CEO and succeed him on or about September 2017.



This position will assist in administering programs within the authority of the marketing order and the Commission law. This includes planning, policy support and government relations, to be administered in conjunction with industry and both federal and state agencies as needed.

Duties in the position include supervising staff to accomplish domestic and foreign marketing objectives, establishing research activities and overseeing financial management, while also managing administrative functions such as maintaining necessary records, signing contracts and implementing office policies and procedures.

Minimum qualifications include an undergraduate degree and ten years of senior-level agricultural management experience or the equivalent in government or a related field.

For more information or to submit a resume, please contact Dennis Balint at dbalint@walnuts.org

Citrus Research Board: The [Citrus Research Board](#) is looking for a GIS Analyst. Job duties include: assisting the Director of Data Management with evolving GIS workflow, technical support, analysis, data management, python scripting, Quality Control, and diverse mapping tasks including online product; input data and interact with computerized databases; work cooperatively with Citrus Research Board staff and other associated personal.

The successful candidate is a college graduate with a successful completion of comprehensive Geographic Information Systems curriculum while majoring in GIS, Geography or other closely related discipline, or equivalent relevant experience.

For more information or to submit a resume, please contact Gary Schulz at gary@citrusresearch.org

Questions or Comments regarding the Marketing Update? Please e-mail Kacie Fritz at kacie.fritz@cdfa.ca.gov or call (916) 900-5018