



MARKETING MEMO

VOLUME 1, ISSUE 2

SUMMER 2009

California Department of Food and Agriculture
Marketing Division, Marketing Branch



BRANCH BRIEFING, BY BOB MAXIE, BRANCH CHIEF

Inside this issue:

Kevin Joins the Team	2
Table of Due Dates	2
Meetings Posting Site	3
Program News	4
Recording Minutes	5
Announcements	6

In this briefing:

- Accounting guidelines
- Advertising review policy
- Branch staffing update
- Fiscal and compliance audit schedule
- Bagley-Keene Open Meeting Act summary
- NEW meetings posting Web site

Accounting guidelines

The Marketing Branch released the new Accounting Guidelines and General Rules (guidelines) to the marketing programs on April 28. These guidelines will become effective on October 1, 2009. This gives the programs a period of time to establish or revise internal procedures and policies to be consistent with the published guidelines.

The branch received a joint response from a majority of the commissions asking the department to give further consideration to several remaining concerns. These include:

- Clarification regarding the audit standards applied to transactions occurring prior to October 1, 2009.
- Travel expense limits and level of documentation necessary for expenses exceeding those limits.
- Criteria for determining when bids and requests for proposals should be used in making major purchases.
- Clarification regarding whether the guidelines are considered recommendations or requirements as applied to commissions.

The joint response also references a couple of minor technical points that the department will correct before publishing and distributing hard copies of the guidelines. The department is studying these comments and will respond in the near future.

Advertising review policy

CDFA review policy for program advertising is on hold pending an evaluation by an ad hoc committee looking at USDA's advertising review policy. With the USDA review almost complete, the branch will carefully look at the committee's recommendations prior to issuing a new draft of CDFA's policy. We appreciate the Walnut Commission and Almond Board for keeping us updated regarding this committee's progress.

Branch staffing update

The branch has another staffing change to report. On June 1, Kathy Diaz returned to the Marketing Branch after an 18-month training and development assignment to the Market Enforcement Branch. During this time, Kathy learned the laws, policies and procedures that apply to enforcement of farmer-handler and farmer-processor contracts. She also coordinated between the Marketing Branch and Market Enforcement Branch regarding collection of delinquent marketing program assessments. Kathy will continue to coordinate with the Market Enforcement Branch regarding both assessment audits and collection of delinquent assessments. Additionally, in the near future she will also be assigned to programs. We welcome her back with open arms.

Kathy's return meant our newest recruit, Brian Greathouse, had to be let go from the branch. Fortunately, Brian obtained a position with the Division of Inspection Services as a research analyst. Brian graduated from Colorado State University this spring with a master's degree in agricultural economics. Brian is a sharp young man with a keen interest in the livestock industry.

Continued on Page 3

MARKETING MEMO

KEVIN JOINS THE TEAM AS DIRECTOR

Secretary Kawamura appointed Kevin Masuhara as the new director of CDFA’s Division of Marketing Services effective May 1, 2009.



“As director, I want to position the division to continue to respond to current challenges, plus those we don’t anticipate yet,” says Kevin Masuhara. As a former County/State Liaison for CDFA’s Executive Office, Kevin has learned that a key tool in meeting those challenges is effective communication.

“Understanding the needs of stakeholders through communication and engagement,” observed Kevin, “is critical.” He wants to get out to meetings to hear and understand the marketing program issues firsthand.

With honed management skills from his days as the managing general partner of a family farming operation and as manager of processing tomato field operations for Tri Valley Growers, Kevin plans to make efficient use of staff resources and maintain a high level of staff commitment to mission. To achieve his staff goals, he will work to maintain motivation, continue staff professional development and implement other proven personnel strategies.

Having earned a B.S. in agricultural and managerial economics from U.C. Davis along with a certificate in management from U.C. Davis Extension, Kevin is very interested in how markets react and respond to different economic signals. He also has found that growers can do more through collective action than they can as individuals. He believes that an investment through assessments is a reasonable approach to achieving collective goals.

“My goals for the Marketing Branch are twofold,” says Kevin. “First, I want to provide good customer service, and second I aim to ensure that programs make appropriate and wise use of assessment dollars.”

“I want to understand,” he explains, “how the Marketing Branch can help the programs fulfill their mission, whether that is in promotion, research or quality standards.”

As director, Kevin now has the opportunity to pursue his passion to help the agricultural industry and all the people who depend upon it.

TABLE OF DUE DATES

The table below is a reminder of upcoming due dates. If you have questions, call your Marketing Branch program liaison at 916-341-6005.

Item	Applies To	Due Date
Quarterly Contract Report	Marketing Orders, Agreements & Councils	<p>1st Qtr ~ Due April (January - March)</p> <p>2nd Qtr ~ Due July (April - June)</p> <p>3rd Qtr ~ Due October (July - September)</p> <p>4th Qtr ~ Due January (October - December)</p>
Financial Audits	Marketing Orders, Agreements & Councils	Three copies to the Marketing Branch 30 days after completion.
Member Lists	Marketing Orders, Agreements, Councils & Commissions	<p>As soon as possible after any changes.</p> <p>Be sure to include individual contact information: addresses, phone and email addresses.</p>
Form 700	Marketing Orders, Agreements & Councils	<p>April 1st</p> <p>Program lists of members and alternates filings due to Marketing Branch.</p>
Ethics Training	Marketing Orders, Agreements & Councils	<p>Members must complete the training in the time frames below and submit the certification to their marketing program executive:</p> <ul style="list-style-type: none"> • New members: within six months of assuming their position. • Continuing members: every two calendar years. <p>Program executives must retain the signed original certificates. A list of board members and alternates with the dates they completed the orientation, must be sent to the Marketing Branch, attention of Beth Jensen.</p>

BRANCH BRIEFING, CONTINUED FROM PAGE 1

The Market Enforcement Branch recently picked up a second auditor, Dan May. Dan will join Tom Shelton in performing marketing program assessment audits under the supervision of Gary Miller. This will help the branch catch up on audits requested by the programs.

Fiscal and compliance audit schedule

About a year ago, the Marketing Branch conducted a survey of programs to find out what the most convenient quarter of the year would be for our Audit Unit to conduct its field work for fiscal and compliance audits. The branch also asked programs to indicate what would be the worst quarter of the year for auditors to come knocking on their door.

Most programs responded to the survey. However, the branch and the Audit Unit have been reluctant to settle on a set schedule as long as industry requested audits were occurring. The department is pleased to note that all such audits have been conducted and the Audit Unit can now begin working according to a long-term schedule. We acknowledge that there will need to be adjustments to this schedule as unexpected events occur. However, we are attempting to accommodate the preferences of those programs that responded to our survey.

Each program will be receiving a letter from the department in the near future noting the quarter and year that the program's audit has been scheduled. We will update the progress of the audit program with each quarterly Marketing Memo issued.

Bagley-Keene Open Meeting Act summary

It is a continuing challenge for the marketing programs and the department to comply with requirements of the Bagley-Keene Open Meeting Act (Section 11120–11132, California Government Code). However, there is increasing interest in how state agencies and state bodies conduct their business. The marketing programs are no exception to this rule.

One of the newer provisions in the act is the requirement that meeting notices must be posted on a Web site at least 10 days in advance of a meeting. This is one reason why the branch asks each program to post its meeting notices to CDFA's Web site. We appreciate your cooperation in fulfilling this requirement.

Included with this issue of the *Marketing Memo* is a summary of requirements in the act and a sample meeting notice and agenda that you can use as a template to ensure the notice contains all the required information.

While it is a challenge to meet the many requirements of the act, it is worthwhile to avoid a violation if a board action is ever questioned. Additionally, compliance with the act ensures that all persons interested in the operations and deliberative process carried out by a board of directors may observe and participate in those deliberations.

The Marketing Branch is available for assistance should you have questions regarding provisions of the Bagley-Keene Opening Meeting Act.

NEW MEETINGS POSTING WEB SITE

WOULD YOU LIKE TO POST YOUR OWN MEETING NOTICES TO THE CDFA WEB SITE, AT YOUR CONVENIENCE?

NOW YOU CAN! YOU'LL BE AMAZED AT HOW EASY IT IS.

Marketing Branch staff has worked with CDFA Web developers to create an Internet-based system to allow all marketing programs to post meeting notices directly to our site. Using this new system – which was designed to be simple and straightforward – each marketing program will have the power to post their own notices.



A [Basic User Guide](#) explaining how to navigate the system is included with this *Marketing Memo*.

As you know, the state's 55 marketing programs are required by the Bagley-Keene Open Meeting Act to post public notices 10 days in advance of a board meeting. Perhaps you didn't know that a total of 800-1000 marketing program meetings occur throughout the state in any given year. This new password-protected site will streamline the process of posting your meeting notices on the CDFA Web site. As always, we encourage you to post your notices on your own program Web site.

Once your meeting notice is uploaded, the system will automatically generate an email message to alert branch staff that a notice was posted.

If your notice needs to be amended or deleted prior to the meeting date, you can contact any Marketing Branch staff person for assistance.

MARKETING MEMO

MARKETING PROGRAMS: IN THE NEWS

EFFORTS MADE TO CREATE A BLUEBERRY COMMISSION

Legislation to create the California Blueberry Commission was introduced earlier this year. As of the date of this memo, the proposed bill (AB 606) has been referred to the committees for food and agriculture and public safety. If the proposed bill is enacted into law, the Marketing Branch will conduct an industry wide implementation referendum before the commission can become operative.

The proposed California Blueberry Commission closely resembles the structure, power and duties of other commissions authorized under Division 22 of the California Food and Agricultural Code.



Specifically, it would establish mandatory assessments on blueberry producers and handlers in the state in order to fund education, promotion and research activities. In addition, the commission would have authority to collect and disseminate crop statistics relating to California's blueberry industry and adopt quality standards.

Commercial blueberry production began in California in the mid-90s and has rapidly expanded in recent years. In 2007, there was a total of 2,700 acres of blueberries grown in California, which represented a 17 percent increase in acreage from the previous season. It is estimated that there are about 50 commercial blueberry growers and 12 major blueberry handlers in the state.

While many growers produce less than five acres of blueberries, a few major players exist in the industry who produce several hundred acres. The majority of the state's blueberry production is concentrated in the Central Valley, Southern California and along the Coast.

The proposed bill is being sponsored by the California Blueberry Association, which is a voluntary organization funded through membership fees. Members of the association represent approximately 85 percent of the blueberry acreage produced in California.

It is the intent of the proponents of the proposed commission to maintain the California Blueberry Association as an independent organization to complement the commission.

INDUSTRY INITIATIVE TO COMBAT THE ASIAN CITRUS PSYLLID

The California Citrus Research Board is moving into uncharted territory to address a major threat to the citrus industry. This threat comes in the form of a tiny insect, called the Asian citrus psyllid. The presence of this pest poses a very real danger to California's citrus industry because it is a common carrier of a deadly bacterial disease known as huanglongbing (HLB), or yellow shoot disease. Since this insect feeds on citrus plant material, a positive psyllid can rapidly transmit the disease across numerous citrus trees in a vast area. Once a tree becomes infected with HLB, it produces unmarketable fruit and eventually dies.

In September 2008, the Department of Food and Agriculture (CDFA) confirmed its first detection of the psyllid in Southern California. Recognizing that this pest could hitchhike its way throughout California, the board considered implementing a major amendment to increase its assessment rate cap and add pest detection and disease control authority to its marketing order. This process culminated in an industry wide referendum that CDFA conducted in October.

This amendment was strongly supported by California citrus producers who overwhelmingly voted in favor through the referendum. Voter turnout was excellent with nearly 70 percent of all eligible producers participating. Slightly more than 90 percent of these producers, representing approximately 73 percent of the voted volume, cast ballots in favor of implementing the amendments. At the will of the industry, the amendments became effective on December 1, 2008, and the board then created a new Operations Department.

To lead this new function, the board hired MaryLou Polek, a former CDFA plant pathologist. Prior to joining the staff of the Citrus Research Board, Polek managed the Central California Tristeza Eradication Agency. "Huanglongbing is the absolute worst disease known to affect citrus," said Polek. "It is crucial for the survival of the California citrus industry that we contain the Asian citrus psyllid to the southernmost areas of the state and hunt out and eliminate possible sources or reservoirs of bacteria throughout California."

The overarching objective of the Operations Department is to implement a statewide citrus pest detection plan to augment the current survey and eradication efforts of CDFA, USDA and county agricultural offices.

For this purpose, the board allocated more than \$1 million of its \$6.4 million budget this fiscal year to opening its own diagnostic laboratory in Riverside.

Continued on Page 5

MARKETING PROGRAMS: IN THE NEWS

Continued from Page 4

The lab houses high-throughput testing equipment, allowing it to test up to 400 samples of plant material and psyllids in a single day. Samples collected for testing in this new lab will be gathered by a board-employed field team equipped with handheld GIS devices.

Since most of CDFA's current surveying work is focused on citrus nurseries and residential areas, the Citrus Research Board will concentrate its detection efforts on commercial citrus groves.

A pilot program to test methods and data collection procedures is currently underway, and the board hopes to begin distributing and servicing traps in commercial groves by July 2009.

In addition to setting out on this new course, the board continues to fund more than \$3 million in applied scientific research.

"This is yet another example of an industry coming together through a state marketing program to collectively solve an urgent problem that threatens the entire commodity," said CDFA Secretary A.G. Kawamura.

Programs approved for another five years

In recent hearings or referenda, the department approved continuation of the following programs:

- California Apple Commission continued by referendum to June 2014.
- California Artichoke Advisory Board continued by public hearing to June 2014.
- California Cling Peach Board continued by referendum to May 2014.
- California Salmon Council continued by public hearing to March 2014.



Sample sticky trap with Asian citrus psyllids.

SUGGESTION FOR BOARD MINUTES

RECORDING OF BOARD MOTIONS

The Marketing Branch has observed that there is wide variation in how marketing programs record board motions in their respective meeting minutes.

Having considered the pros and cons of these various methods, we make the following suggestions as a way to improve the preparation of your board and committee meeting minutes.

- Minutes should reflect all MAIN motions that are voted upon.
- Minutes should indicate the board member who made the motion and may also record the board member seconding the motion.
- Minutes should indicate the approval or dismissal of all board motions. If the vote is not unanimous, the minutes should reflect the number of votes in favor of the motion, the number opposed and the number of abstentions.
- Minutes do not need to specify the actual voting positions taken by board members, unless a member requests that his or her position is so noted.
- All board motions that have been made and seconded should be assigned a number, even if the motion is not eventually passed. Assigning all board motions a number, even if they are not eventually approved, gives recognition to all items officially considered and voted upon.
- Of the various systems currently used for numbering board motions, we recommend a simple one that incorporates the date of the meeting and assigns a number that begins at #1 for each meeting. For example, the fifth motion made at a meeting conducted on June 11, 2009, might be numbered as **Board Motion 2009-6-11 #5**. This kind of recording and numbering system will allow interested parties to easily refer back to the proper set of meeting minutes for any board actions.

We hope these suggestions help you in your future preparation of meeting minutes.





MARKETING MEMO

Governor Arnold Schwarzenegger
Secretary A.G. Kawamura
California Department of Food and Agriculture
Marketing Division, Marketing Branch
560 J Street, Suite 170-A
Sacramento, CA 95814
Phone: 916-341-6005
Fax: 916-341-6826
Marketing Memo Editor: April Izumi

WE WANT TO HEAR FROM YOU!

1. Do you have an announcement or news to share through the Marketing Memo?
2. Do you have commodity beauty shots that we can feature in this newsletter?
3. Do you have suggestions for improving this newsletter?

Please send your comments to April Izumi at aizumi@cdfa.ca.gov. And, look for the next quarterly edition of the Marketing Memo on September 18, 2009.

Marketing Branch Mission

We assure the fair and practical operation of marketing programs for the benefit of California agriculture and the citizens of California.

FALL 2010 NEC-63 CONFERENCE IN CALIFORNIA

The Marketing Branch is helping to coordinate the fall 2010 conference of the Research Committee on Commodity Promotion (NEC-63). NEC-63 is hoping that California's marketing programs will be well represented at the fall conference, since it will be held in California. With the wide array of programs active in the state, the organization and its members are always interested in what California's programs are doing.

We want your input! To that end, we will send you a survey later this summer for your feedback regarding agenda items and topics of interest to you. However, there is no need to wait for the survey if you have ideas to share with us now. Selection of a site for the conference will also occur later this summer.

NEC-63 is an organization of agricultural economists and marketing program representatives that meets twice a year to present research regarding the effectiveness of generic marketing activities. These conferences also are a forum for sharing results from innovative marketing campaigns carried out by programs. The NEC-63 has members from across the U.S. and Canada.

ANNOUNCEMENTS ~ NEW MEETING POSTINGS PROCEDURE ~ JOB OPENING!

Transition procedures for meeting postings

Now you have the ability to post your meeting notices directly to the CDFA Web site. With this *Marketing Memo* is a [Basic User Guide](#) outlining step-by-step instructions on how to complete the process.

Here are three easy things you can do to get started:

1. **CALL** any branch staff member for your user name and password.
2. **READ** the [Basic User Guide](#). If you have additional questions, please call Beth Jensen or April Izumi.
3. **REMOVE** the following email addresses from your contacts lists:
servicedesk@cdfa.ca.gov
cbehr@cdfa.ca.gov
cstudebaker@cdfa.ca.gov

New display pages for meeting notices and current referenda

Along with the new meeting posting procedure, the branch also has new Web site display pages for meeting notices and current referenda. Meeting notices are listed in date order, with the most current first. Notices will be automatically removed by the system the day after the meeting. Go to <http://it.cdfa.ca.gov/iGov/postings>. Click on "Notices" to see the display table.

The "Current Referenda Status" Web page now also includes a table for current referenda vote status that branch staff can update on a weekly basis or throughout the voting period, as appropriate.

Go to <http://cdfa.ca.gov/mkt/mkt/refstat.html> to check it out!

Citrus Research Board, V.P. of Research and Industry Affairs

The board is currently accepting applications for a senior position responsible to the president for overseeing the board's Variety Development, Plant Management and Physiology, Plant Disease Management, Pest Management and Post Harvest programs.

Candidates must hold a minimum of a master's degree in an agriculture-related field or management-related field. Job experience will be considered and may substitute for a degree, if applicable. Salary based on experience and location may be the board's office in Visalia.

If you are interested in more information, please contact Ted Batkin, board president, at 559.738.0246.