



AGENDA
REGULAR MEETING
BOARD OF DIRECTORS
CALIFORNIA AVOCADO COMMISSION

CAC Board Room
38 Discovery, Suite 150
Irvine, CA 92618

Thursday, November 19, 2009
9:00 a.m.

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- 9:00 a.m.** **1. CALL TO ORDER – Dennis Manderfield, CDFA Presiding**
A. Announcement of Election Results and Introduction of New Members and Alternates
B. Roll Call
- 9:10 a.m.** **2. FILL VACANT DISTRICT 1 PRODUCER ALTERNATE SEAT**
- 9:20 a.m.** **3. FILL VACANT HANDLER MEMBER SEAT AND ALTERNATE SEAT**
- 9:30 a.m.** **4. ELECTION OF OFFICERS**
A. Instruction on How Nominations and Voting for Board Officers will be Conducted
B. Nominations and Election of Chairperson
- 9:45 a.m.** **5. CHAIRPERSON TAKES GAVEL AND PRESIDES**
A. Nominations and Election of Vice-Chairperson, Secretary, and Treasurer
B. Consider Approval of Board of Director's Meeting Minutes of October 15, 2009
C. Chairperson's Opening Remarks
D. Tentative 2009-10 Meeting Schedule
E. Site Update
- 10:15 a.m.** **6. FINANCIAL UPDATE**
A. 2008-09 Financial Highlights
B. Consider Approval of Budget Amendment No. 1
C. CPA Firm Perspective on Board Financial Oversight
- 10:45 a.m.** **7. PRODUCTION RESEARCH REPORT**
A. Research Program Coordination
B. Consider Request for Contribution for CABI Avocado Textbook
C. Discussion of Multi-country Research Project on Avocado Alternate Bearing
- 11:15 a.m.** **8. WATER PROGRAM**
A. Brief History of CAC Water Program and Potential Projects for 2009-10
- 12:00 p.m.** **ADJOURN FOR LUNCH**
- 12:45 p.m.** **9. HASS AVOCADO BOARD REPORT**
- 1:00 p.m.** **10. OPPORTUNITY FOR PUBLIC COMMENT**

Any person may address the Board at this time upon any subject not identified on this Agenda but within the jurisdiction of the California Avocado Commission; however, any matter that requires action will be referred to

staff for a report and action at a subsequent Committee or Board meeting. As to matters on the Agenda, an opportunity will be given to address the Board when the matter is considered.

1:15 p.m. ADJOURN MEETING

The times listed for each agenda item are estimated and subject to change. It is possible that some of the agenda items may not be able to be discussed prior to adjournment. Consequently, those items will be rescheduled to appear on a subsequent agenda. All meetings of the California Avocado Commission are open to the public and subject to the Bagley-Keene Open Meeting Act.

All agenda items are subject to discussion and possible action. For more information, or to make a request regarding a disability-related modification or accommodation for the meeting, please contact Laurie Hill at 1-800-344-4333, California Avocado Commission, 38 Discovery, Suite 150, Irvine, CA 92618, or via email at lhill@avocado.org. Requests for disability-related modification or accommodation for the meeting should be made at least 48 hours prior to the meeting time. For individuals with sensory disabilities, this document is available in Braille, large print, audiocassette or computer disk. This meeting schedule notice and agenda is available on the internet at www.avocado.org and <http://it.cdfa.ca.gov/igov/postings/detail.aspx?type=Notices>.

If you have questions on the above agenda, please contact April Aymami at aaymami@avocado.org or 1-800-344-4333.

SUMMARY DEFINITION OF CONFLICT OF INTEREST

It is each member's and alternate's responsibility to determine whether they have a conflict of interest and whether they should excuse themselves from a particular discussion or vote during a meeting. To assist you in this evaluation, the following ***Summary Definition of Conflict of Interest*** may be helpful.

A Commission *member or employee* has a conflict of interest in a decision of the Commission if it is reasonably foreseeable that the decision will have a material effect, financial or otherwise, on the member or employee or a member of his or her immediate family that is distinguishable from its effect on all persons subject to the Commission's jurisdiction.

No Commission member or employee shall make, or participate in making, any decision in which he or she knows or should know he or she has a conflict of interest.

No Commission member or employee shall, in any way, use his or her position to influence any decision in which he or she knows or should know he or she has a conflict of interest.



ITEM 2: FILL VACANT DISTRICT 1 PRODUCER ALTERNATE SEAT

SUMMARY:

In October 2009, District 1 producer alternate Noel Stehly resigned his seat on the Commission. The unexpired portion of the term for Mr. Stehly's vacated seat runs through October 31, 2010.

A vacancy announcement for the open seat was sent to all producers in District 1. At the time this item was prepared, the following individual stepped forward as a candidate:

Shane Tucker

Alternate member vacancies are filled by a majority vote of the CAC Board, with appointment being conducted at a regularly scheduled meeting as soon as practicable after the vacancy occurs (CAC Election Procedures, Section VIII, B and C.). Nominees have the option to be present during the vote to fill the vacant seats and voting may not be conducted by secret ballot (Election Procedures, Section VIII, D).

A VOTE WILL BE TAKEN AT THE NOVEMBER BOARD MEETING TO FILL THE PRODUCER ALTERNATE VACANCY IN DISTRICT 1.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Conduct a vote to fill the vacant alternate seat

STAFF RECOMMENDATION:

- None

EXHIBITS / ATTACHMENTS:

Candidate Statement of Shane Tucker

I have extensive business and management experience that I believe could be helpful to the Commission as it executes its mission. Prior to leaving my post at Prudential Mortgage Capital in January 2009, I was responsible for managing multiple business lines that generated more

than \$100 million in revenue and employed more than 100 people. I was responsible for devising appropriate business, risk management and operating guidelines for the individual business lines and managers reporting to me. The business lines were consistently profitable and expanding under my oversight. One of the business lines under my responsibility was Prudential's Agricultural investments, which managed agricultural debt and equity portfolios totaling more than \$2.5 billion and was comprised of commodities produced in the leading agricultural states in the U.S. I gained exposure and experience with marketing programs and issues for many of the major crops grown in the U.S. I believe this combination of extensive business management and oversight, combined with significant experience and knowledge with many agricultural commodities could be helpful for the CAC as the Board works together with the Commission staff to devise, organize and execute its mission and business plan for California avocado growers.



ITEM 3: FILL VACANT HANDLER MEMBER AND ALTERNATE MEMBER SEATS

SUMMARY:

Handler member Gene Carbone and Alternate Member Alva Snider were seated on the Commission Board pursuant to the "30% Rule" (codified in CAC Election Procedures Section VI, A). The Rule allows any handler marketing 30% or more of the crop volume to appoint one handler member and one alternate member independent of the annual election process. The terms for both Mr. Carbone and Mr. Snider expire on October 31, 2010. In order to remain eligible, however, the appointing handler—in this case, Calavo—must market 30% or more of the total crop during the term of their office. It has been determined that Calavo marketed less than 30% of the California avocado volume during the 2007-08 and 2008-09 seasons. Accordingly, Mr. Carbone and Mr. Snider must vacate their seats.

Section VIII, D of the Election Procedures specifies:

"if any vacancy of a member's or alternate's seat on the Commission which was originally filled in accordance with paragraph 6.A [the 30% Rule] is the result of the disqualification / ineligibility of the handler, then the vacancies will be filled for the unexpired portion of the term by a majority vote of the Commission."

A vacancy announcement for the open seats was sent to all handlers in October. At the time this item was prepared, the following individuals stepped forward as candidates:

Gene Carbone, Member
Alva Snider, Alternate Member

Nominees have the option to be present during the vote to fill the vacant seats and voting may not be conducted by secret ballot (Election Procedures, Section VIII,D).

A VOTE WILL BE TAKEN AT THE NOVEMBER BOARD MEETING TO FILL THE HANDLER MEMBER VACANCY AND HANDLER ALTERNATE MEMBER VACANCY.

FISCAL ANALYSIS: Not applicable

BOARD OPTIONS: Conduct a vote to fill the vacant handler member and alternate member seats

STAFF RECOMMENDATION: None

EXHIBITS / ATTACHMENTS: None



BOARD ACTION

ITEM 5.B: **CONSIDER APPROVAL OF MINUTES OF THE BOARD OF DIRECTORS' MEETING OF OCTOBER 15, 2009**

SUMMARY:

The minutes of the Board of Directors regular meeting of October 15, 2009 are attached for the Board's review and approval.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Adopt minutes as presented
- Amend minutes
- Take no action

STAFF RECOMMENDATION:

Approve minutes as presented.

Proposed Motion:

The California Avocado Commission Board of Directors approves the October 15, 2009 Board Meeting minutes as presented.

EXHIBITS / ATTACHMENTS:

- Minutes of the Board of Directors' Regular Meeting of October 15, 2009

**CALIFORNIA AVOCADO COMMISSION
BOARD MEETING MINUTES
October 15, 2009**

A meeting of the California Avocado Commission (CAC) Board was held on Thursday, October 15, 2009 in the Commission boardroom in Irvine, California, with the following people present:

MEMBERS PRESENT

Rick Shade, Chairman
Carol Steed, Vice-Chair
Tom Pecht, Secretary
Ken Roth, Treasurer
Scott Bauwens
Will Carleton
Gene Carbone
Ben Holtz
Ohannes Karaoghlanian
Bob Lucy
Tom Markle
Bradley Miles
Don Reeder
Reed Webb

MEMBERS ABSENT

Andria Pontello

CAC STAFF PRESENT

April Aymami
Tom Bellamore
Zachary Benedict
Dave Cruz
Jan DeLyser
Angela Fraser
Laurie Hill
Dave Howald
Aria Lukman

ALTERNATES PRESENT

Ernie Arana
Ron Araiza
Andy Bailard
Laura Eggering
John Lamb
Ed McFadden
Bob Schaar
Alva Snider
Jerome Stehly

ALTERNATES ABSENT

George McManigle
Bob Witt

OFFICIALLY PRESENT

Lauren Dougherty,
Red Door
Bob Maxie, CDFA
Maureen Pello, USDA
Ken Roberts,
Cooper Roberts
Charles Wiedenhof,
Red Door

GUESTS PRESENT

Jennifer Baker-Assidao
Gene Bianchi
Austin Gavin
Erik Glassen
Fred Hayes
Doug Koegeboehn
Jim McCormac
Peggy McCormick
Leo McGuire
Marji Morrow
Steven Muro
Darrell Nelson
Doug O'Hara
Laura Paden
Barbara Peirce
Gwen Peterson
Ron Snider
Tom Utley
Mark Weinfeld
Joan Wertz
Katie Wild
Charley Wolk

CALL TO ORDER

Chairman Rick Shade called the meeting to order at 9:15 a.m. with a quorum present.

Two announcements were made: 1) District 1 Alternate Noel Stehly had recently resigned from the board and 2) Andria Pontello has been appointed as Public Member by CDFA. It was noted that Bob Maxie, CDFA, and Maureen Pello, USDA, were in attendance.

ITEM #1. CONSENT CALENDAR

The Chairman asked if there were any changes to the Minutes as offered on the Consent Calendar. None being made, the following motion was presented:

MOTION: *The CAC Board of Directors approves the Consent Calendar, as presented:*

***1-A) Approval of September 17, 2009 Board Meeting Minutes
(Carbone/Miles) MSC***

ITEM #2. FILL VACANT GROWER ALTERNATE SEATS IN DISTRICTS 2 & 3

The Chairman noted that two alternate vacancies presently exist, one in District 2 and one in District 3.

Fill Vacant District 2 Producer Alternate Seat

Candidates present were invited to address the Board. A roll call vote was conducted and the Board voted as follows:

<u>Member</u>	<u>Vote</u>
Markle	Abstain
Steed	Denmark
Roth	Abstain
Holtz	Schaar
Webb	Schaar
Karaoghlanian	Schaar
Reeder	Denmark
Pecht	Denmark
Miles	Denmark
Carbone	Abstain
Carleton	Abstain
Bauwens	Schaar

Chairman Shade did not vote, and members Lucy, Witt & Pontello were absent.

Bob Schaar was seated as Producer Alternate for District 2.

Fill Vacant District 3 Producer Alternate Seat

All four candidates for District 3 were in attendance, i.e. Laura Eggering, Fred Hayes, Leo McGuire and Tom Utley, and each addressed the Board. Ohannes Karaoghlanian read the following statement into the record:

I would like to bring to the attention of this Board that Mrs. Laura Eggering was a seated Board Member whose term is expiring in October 2009 and had chosen not to run for re-election. However, she now desires to continue representing her district, but rather than stand for re-election, she would just like to be appointed to an Alternate position, thereby preventing the growers in her district the opportunity to decide if they want her to continue representing them. This tactical move deprives her constituents their constitutional right of choice of representation.

Mrs. Eggering, in my opinion, having little confidence in her chances of being re-elected, is by this action, requesting and relying on this Board's good will, employing the 'buddy system' to get appointed, thus circumventing the election process.

I do not believe that the bylaws of the Commission were written to accommodate such a maneuver in which one could finagle one's way into a position by circumventing and bypassing the election process. The bylaws were written for special circumstances and are a way to encourage one's participation in the election process.

If appointed as an Alternate to this Board, this action will send the wrong message to the grower community at large, rekindling their concerns and further eroding their confidence of this body.

What right does this body have to take that freedom of choice away from any district in choosing their representative in this manner?

If and when such action is disseminated to the grower community during this election I can assure you that there will be a great number of irate growers. Knowing that you have trampled on their right to choose, they will echo the cynicism that the 'buddy system' is alive and well at the CAC Board, and that Mr. Affleck's departure is not the only one that this body has to deal with.

I, for one, will oppose Mrs. Eggering's appointment to the District # 3 alternate seat.

Thank you for giving me your time and attention in this matter.

Ms. Eggering responded, explaining that her choice to run was not a tactical move. Instead, it was at the request of her constituents. When some of those constituents discovered that she wasn't going to run for reelection, they asked her to stay involved with CAC. With their encouragement she applied for the vacant seat. She said there was no conspiracy and no plan on her part to trick the growers so she could get a 'sympathy' vote by the Board. Ms. Eggering noted that she had always fairly and accurately represented the growers in her district, and stated that she was appalled that Mr. Karaoghlanian would present such false statements to the Board.

Ms. Steed noted that Ms. Eggering has always been an exemplary member of the Board, having committed much of her time to advance the industry's interests. Ms. Steed said that the Board was fortunate to have four excellent candidates step up and she encouraged the Board to move forward with a vote.

Mr. Holtz stated that he will be reflecting on the Industry Affairs Goals as he considers his vote: 1) Maintain Grower Competitiveness 2) Safeguard Growers' Economic Interests 3) Keep Growers Informed and Engaged and 4) Ensure Organizational Integrity and Stability. He encouraged the Board to use the same criteria and to cast their votes.

A roll call vote was conducted and the Board voted as follows:

<u>Member</u>	<u>Vote</u>
Markle	Eggering
Steed	Eggering
Roth	Eggering
Holtz	Utley
Webb	Eggering
Karaoghlanian	Hayes
Reeder	McGuire
Pecht	Eggering
Miles	McGuire
Carbone	Abstain
Carleton	Eggering
Bauwens	McGuire

Chairman Shade did not vote, and members Lucy, Witt & Pontello were absent.

Laura Eggering was seated as Producer Alternate for District 3.

ITEM #3. PRESIDENT'S REPORT

Acreage Survey

Last month the Board considered a proposal by GeoSpatial Partners to identify abandoned and stumped avocado acres in San Diego County. The Board also asked for a cost estimate for conducting similar work in Riverside County. The combined cost for both counties is \$33,700 (\$23,750 for San Diego and \$9,950 for Riverside).

Mr. Holtz reported that the Valley Center Water District was willing to provide \$5,000 toward the study in order to assess acreage attrition within their jurisdiction. The Rainbow Municipal Water District agreed to contribute \$5,000 for the same purpose. Discussion ensued, but no action was taken. It was noted that the item had been included in the 2009-10 budget, which would be acted upon later in the day.

Industry Affairs

Mr. Bellamore noted that USDA Risk Management officials Mary Alonzo and Matt Koemphner visited CAC recently to discuss the new federal crop insurance products. The Avocado Pilot Program changed from a revenue program to an actual production history program beginning November 2009. In addition, there is a new quarantine endorsement available to avocado growers. More information will be provided at the upcoming grower seminars on November 3, 4 and 5, 2009 cosponsored by CAC, CAS and UCCE.

The Medfly quarantine in the Escondido area of San Diego County, encompassing about 77 square miles, contains about 2100 avocado acres and 475 growers. Mr. Bellamore attended a meeting with federal and state officials at the San Diego County Farm Bureau, and detailed information about the quarantine was subsequently prepared and distributed to the industry by CAC. As of October 15, 2009 no new fly finds have occurred. If this continues to be the case, the quarantine would be lifted in early May 2010, and the bulk of the harvest from affected acres can occur after that date.

Mr. Bellamore informed the Board that an error occurred during the balloting process for the 2009 general election, so CAC reissued ballots to growers in Districts 2 and 3. He showed a sample of new ballot and said that CAC worked in cooperation with CDFA to craft the explanatory language it contained. CDFA assured CAC that there would be sufficient time to count the reissued ballots prior to the November Board meeting. Mr. Bellamore emphasized that management takes the election process very seriously and will do what is necessary to ensure that it is properly conducted.

ITEM #4. MARKETING REPORT

Avocado Tracking Study 2009

Vice President of Marketing, Jan DeLyser, introduced Ken Roberts from Cooper Roberts Research to present results of the Fall 2009 Avocado Tracking Study. This study has been conducted since 1994 to provide important consumer insights on a national basis and to monitor changes in CAC advertised markets compared to the rest of the U.S. The Avocado Tracking Study had been funded by CAC until about three years ago when it was transitioned to the Hass Avocado Board.

Mr. Roberts said demand for California Avocados in CAC's ad markets continues to increase with consumers overwhelmingly (65% in fall 2009 versus 54% in fall 2008) stating a preference for California Avocados. The importance of avocados being grown in the U.S. remains strong at 66% in ad markets compared with 50% in 2008. Mr. Roberts also said the research showed an increase in consumers wanting to support American farmers (21% in 2009 versus 4% in 2008) and indicating a trust in U.S./local and California produce (15% in 2009 versus 5% in 2008). In addition to brand awareness of California Avocados showing positive increases, the study also demonstrated a positive impact of California Avocado advertising across key attribute ratings with freshness, premium quality, food safety, environmentally responsible, fair labor practices and hand grown up over prior year.

Mr. Roberts said the California Grower Campaign with the Hand Grown in California messaging has been positively received by consumers and supports continued emphasis on California branding of avocados into the future.

Introduction to Red Door

Following the announcement last month that CAC had engaged a new online marketing agency, the Board requested a brief, introductory presentation on the firm's capabilities. Mr. Bellamore introduced Lauren Dougherty, Red Door's Business Supervisor, who shared a partial list of the company's clients, which included Rubio's, Turbo Tax, La Quinta, Charles Schwab, Maritime Museum of San Diego, Del Mar fairgrounds, Soup Plantation and Sweet Tomatoes among others. The Red Door team also discussed grower communications and enhancement of the trade portion of the current web site. Ms. DeLyser noted that CAC will be leveraging the real-time capabilities of the Internet to incorporate an integrated marketing strategy in social media, online advertising and e-mail marketing alongside a business-oriented strategy that will increase interest in "Hand Grown in California" avocados.

ITEM #5. CHAIRMAN'S REPORT

Produce Marketing Association

Chairman Shade thanked Board members for their attendance at the Produce Marketing Association (PMA) Convention. CAC's exhibit attracted a large number of retailers from across the country as well as members of the international avocado community.

Commissioner Expenses

The Chairman reminded Board members to turn in any outstanding expense reports as CAC is closing out the books for the end of the fiscal year.

Profit Sharing Plan and Trust Agreement

In July, when the reduction in force was announced, two issues surfaced regarding CAC's Profit Sharing Plan and the associated Trust Agreement. Mr. Bellamore requested that the Board consider adopting resolutions to clarify that the plan covers regular full-time employees only and that name those in key positions as plan Trustees. The following motions were made:

MOTION: ***The CAC Board of Directors approves the resolution included in the Board packet that modifies the Profit Sharing Plan to exclude “employees other than regular, full-time employees who meet the minimum eligibility requirements.” (Carbone/Miles) MSC***

MOTION: ***The CAC Board of Directors approves the resolution presented in the Board packet that appoints Trustees of the Trust by the following titles: President, Treasurer, and Finance and Account Manager of the Commission. (Roth/Pecht) MSC***

Dissolution of Finance Subcommittees

Chairman Shade noted that the Audit and Pension Review Subcommittees ratified by the Board are now dissolved and the incoming Chair can appoint as he/she deems necessary.

MOTION: **The CAC Board of Directors agrees to dissolve the Audit and Pension Review Subcommittees. (Roth/Markle) MSC**

Finance Committee Chairman Ken Roth offered his sincere and appreciated recognition to Chairs Gene Carbone and Bill Steed for their dedication to the Audit and Pension Review Subcommittees. Shade echoed Roth's appreciation to Carbone and Steed.

ITEM #6. COMMITTEE REPORTS

Finance Committee Report

Treasurer Ken Roth reported that the Finance Committee discussed the assessment reporting discrepancy discovered by CAC staff. Management acted quickly to initiate a full investigation and once the discrepancy was verified, CAC set about recovering the outstanding amount due plus penalties and interest. The matter has been fully resolved.

A summary of proposals received from certified accounting firms was presented to the Finance Committee for review in September, in order to provide the Board with some options for audit of the financial statements. After reviewing costs and other elements of the proposals, the Committee agreed to recommend retention of the current CPA firm, Macias Gini & O'Connell, to perform the audit. The following motion was made:

MOTION: The CAC Board of Directors approves Macias Gini & O'Connell's letter of engagement for Audit services on 2008-09 financial statements and Cash & Investment Agreed-upon Procedures for the fiscal year 2009-10. (Roth/Webb) MSC

Mr. Roth also reported that the Committee discussed the 2009-10 projected crop size and average price, a tentative assessment rate, beginning and ending reserves, and budget. The Finance Committee recommended that the Board adopt an assessment rate of 1.95%, crop volume of 450 million pounds, a projected price-per-pound of \$0.70, with ending reserves of \$3 million. Further discussion was deferred to the afternoon session.

Site Selection Committee Report

Ms. Steed informed the Board that CAC has retained an agent and is currently negotiating with a sub-lease tenant. One element of the negotiation involves restoration of the space to Irvine Company requirements, which would remain CAC's liability unless this expense is shifted to the sub-tenant. It was stated that the sub-tenant is seeking occupancy commencing December 1, 2009. The sublease negotiations to date have been productive and it appears that CAC and the sub-tenant are close to reaching a deal. Mr. Bellamore said that Ms. Steed has been assisting with the negotiations. Discussion ensued regarding authority to consummate the transaction. Several Board members expressed support for allowing management and Ms. Steed to complete the sublease of 38 Discovery, Suite 150 and the following motion was made:

MOTION: The CAC Board of Directors grants authority to the President to complete negotiations on the sublease of 38 Discovery, Suite 150. (Pecht/Miles) MSC

Ms. Steed said that CAC staff had viewed a large number of potential office sites during the search for a new headquarters location. Discussion occurred regarding whether a boardroom was needed. The Site Selection Committee visited two properties that were identified as good prospects—a building near the train station in Irvine that would lease for very low rent (comparatively) and another site in Tustin that was furnished and incorporated warehouse space. Questions arose regarding the term of a new lease and Ms. Steed responded that a five-year term was preferred if a favorable rate could be negotiated. Pros and cons of the two properties were discussed, as was the possible need to act expediently if a sublease is signed on the current office space. Mr. Holtz expressed some reservation about the timing of selecting a new headquarter site and the level of Board involvement in the decision. Options for reconvening the Board were considered. After further discussion, the following motion was offered:

**MOTION: The CAC Board of Directors authorizes the President to negotiate a lease on a new office space. (Miles/Pecht) MSC
1 opposed (Holtz).**

Mr. Bellamore pledged to keep the Board informed of progress on the sublease as well as the new lease, and to tap Ms. Steed's expertise, as necessary, to assist with negotiations.

Mr. Miles reported that a meeting has been scheduled between representatives of Cal Poly University and Production Research Committee Chairman Darrell Nelson and Mr. Miles regarding the Pine Tree Ranch research site and that discussion results will be provided to the Board when available.

ADJOURN FOR LUNCH

The Board adjourned for lunch at 12:15 p.m. and reconvened at 1:00 p.m.

Chairman Shade invited public comment and Mr. Hayes encouraged the Board to adopt a budget that makes the best of the market and gets the best return for dollars spent. He said that growers will support this approach.

A comment was made regarding fruit drop in the south, with some growers losing 30 to 40 percent of their production due to hot weather. Chairman Shade noted that the overall crop size was still believed to be in the 450 million pound range.

ITEM #7. 2009-10 PLANNING

Approval of 2009-10 Plan & Budget

Mr. Bellamore directed the Board to Item 6.A.4 in the Board packet. He explained that management had made some adjustments to the financial model used to evaluate various assessment scenarios, as a result of discussions with vendors regarding the timing of 2009-10 planned activities and the anticipated payment schedule. The new cash flow projections were substantially improved, such that they supported increased spending on marketing should the Board wish to do so. Accordingly, management proposed overall spending of \$13 million, of which \$8.5 million would be directed toward marketing and promotion.

This could be done without necessitating a change in the proposed assessment rate of 1.95%. It was noted that marketing spending of \$8.5 to \$9 million would approach record levels—close to the level of expenditures for this purpose in 2005-06 when crop size was 600 million pounds.

Discussion took place about the proposed budget level of \$13 million, starting and ending reserves, and the proposed assessment rate. Mr. Carbone indicated that the ending reserves for fiscal year 2008-09 were likely understated and Mr. Bellamore agreed. Mr. Bellamore said that he had been working with Finance and Accounting Manager Aria Lukman to evaluate future year scenarios with the aim of stabilizing the assessment rate, so as to provide growers with some level of cost predictability. The following motion was offered:

MOTION: The CAC Board of Directors approves an assessment rate of 1.95%, with an estimated average price of \$0.70, projected crop volume of 450 million pounds, ending reserves of \$3 million and a \$12 million base budget. (Roth/Steed) MS

Further discussion took place, primarily regarding the projected average price per pound. Several people expressed concern that the price becomes a self-fulfilling prophecy, while others acknowledged it as an important input, but not one that the Board could “set.” Mr. Bauwens said that the handlers strive to return the highest price to the growers and that the CAC projection was not viewed as what the growers would accept. Handler prices are determined by overall market and supply conditions, and the

strength of their customer relationships. Mr. Bianchi added that the budget could be set without referencing the average price-per-pound; Mr. Stehly agreed, stating that the price is only part of the assessment calculation, it does not directly affect the budget. Mr. Stehly spoke in support of additional marketing spending.

Mr. Carbone inquired about how additional marketing monies would be spent. Ms. DeLyser delineated the planned expenditures, including increased consumer advertising and associated agency fees, a cook book opportunity, a sensory evaluation study and the set-aside of funds for a possible Fall promotion with HAB. She also said that Denver and Nevada markets would be considered if the marketing budget was increased.

Mr. Holtz observed that 5 parameters were being discussed. If 4 of the 5 were agreed upon, the 5th parameter (price) was essentially derived from the others. He suggested changing the terminology from “average” price to “target” price and increasing the number. Alternatively, he supported not publishing the projected price at all. Rather, the number should be used for internal purposes only.

Ms. Steed asked if Mr. Roth would amend his motion to support total spending of \$13.5 million. Mr. Bellamore added that the action required of the CAC Board was approval of an assessment rate and budget; crop size and average price per pound were simply inputs in the financial analysis process.

Mr. Roth and Ms. Steed withdrew their motion.

The following motions were made:

MOTION: The CAC Board of Directors approves a 2009-10 assessment rate of 1.95% of the gross dollar value of sales for all varieties during any full or partial month the Federal Hass Avocado Promotion, Research, and Information Order (Order) is in effect, and at 4.77% of the gross dollar value of sales for all varieties any full month the federal assessment under the Order is not in effect. (Markle/Miles) MSC

MOTION: The CAC Board of Directors approves a total 2009-10 budget of \$13.5 million, which consists of the \$13 million spending plan as presented and an additional \$500,000 for marketing, the specifics of which were discussed earlier. (Miles/Reeder) MSC

A question arose about whether moving costs were included in the budget. Mr. Bellamore responded that the budget included rent at the current rate, and if a sublease arrangement is reached, moving costs can be covered from rent savings. Mr. Holtz asked for clarification on various budget line items, and Mr. Bellamore and Ms. DeLyser responded accordingly. Mr. Bellamore stated that the Board had been provided with a proposed 2009-10 Business Plan and corresponding line item budget. Approval of the budget, therefore, implies approval of the plan. It was agreed that the plan is deemed approved by the Board. Mr. Carbone commented that the plan can be subsequently changed and Mr. Bellamore responded affirmatively.

ITEM #8. HASS AVOCADO BOARD REPORT

No report.

ITEM #9. PUBLIC COMMENT

Ms. Eggering reminded the board of that the California Avocado Society is holding its Annual Meeting on October 16-17, 2009.

Chairman Shade stated that his leadership tenure is nearly up and that he has enjoyed working with the Board. Tough times call for rigorous debate of the issues, and he was glad to see this occur. Mr. Shade said he derived some satisfaction from seeing CAC get back on track after the turbulent times the organization went through.

The September 17, 2009 Board Packet is attached to the permanent copy of these Minutes and identified as Exhibit A.

The Avocado Tracking Study presentation is attached to the permanent copy of these Minutes and identified as Exhibit B.

The PMA presentation is attached to the permanent copy of these Minutes and identified as Exhibit C.

ADJOURN MEETING

The Chairman adjourned the Board meeting at 2:10 p.m. The next Board meeting will be held on October 15, 2009.

Respectfully submitted,

Laurie Hill, CAC Staff

I certify that the above is a true statement of the Minutes of October 15, 2009 approved by the CAC Board of Directors on November 19, 2009.

Rick Shade, CAC Board Chairman



BOARD INFORMATION

ITEM 5.D: TENTATIVE 2009-10 MEETING SCHEDULE

SUMMARY:

Management has prepared the attached tentative meeting schedule for the 2009-10 fiscal year for Board consideration. The schedule identifies proposed meeting dates and the major items of Board business across the year. The Board may wish to discuss possible meeting locations.

This year, management is suggesting a change in timing and format for the Annual Meetings. Rather than two Annual Meetings, we suggest a meeting in each district to establish a closer connection between the Commission and its constituents. If structured properly, the meetings can also be used for planning purposes.

FISCAL ANALYSIS:

- Not applicable.

BOARD OPTIONS:

- Item is primarily for discussion purposes; no immediate action is required.

STAFF RECOMMENDATION:

- Staff recommends a different format and timing for the Annual Meetings and Planning meeting, as described more fully above.

EXHIBITS / ATTACHMENTS:

- Tentative 2009-10 Meeting Schedule.



CALIFORNIA AVOCADO COMMISSION TENTATIVE 2009-10 MEETING SCHEDULE

November 18, 2009:

- Board Orientation Session

November 19, 2009:

- Seating of new Board members
- Election of Board officers

January 21, 2010:

- Approval of CAC as Provider of Avocado Inspection Program Administrative services for the CDFA for the period from July 2010 through June 2011
- Committee and Subcommittee appointments
- Financial Statement Audit Report
- Approve Budget Reconciliation Amendment
- Approve Letter of Engagement for Handler Assessment Agreed Upon Procedures (AUP)
- Consumer Advertising Progress Report

March 18, 2010:

- Recommend Members/Alternate for Avocado Inspection Committee appointment
- Annual Meeting Planning Discussion

April 2010 (date TBD):

- Annual Grower and Planning Meetings

May 20, 2010:

- Annual/Planning Meeting Summary
- Handler Assessment AUP Report for 2008-09 period
- Commencement of 2010-11 Planning Process
- Foodservice and Merchandising Progress Report

June 17, 2010:

- Review of Corporate Insurance
- Development of 2010-11 Strategic Plan
- Online Marketing Progress Report

August 19, 2010:

- 2010-11 Financial Outlook
- Development of 2010-11 Business Plan Objectives and Strategies
- Consumer Public Relations and Nutrition Program Progress Report

September 16, 2010:

- Approval of Preliminary 2010-11 Business Plan and Budget
- Financial Update/Crop Outlook
- Approval of Tentative 2010-11 Assessment Rate
- Consumer, Retail, Foodservice Trends Presentation

October 21, 2010:

- 2010 General Election
- Approval of 2010-11 Business Plan and Budget
- Approval of 2010-11 Assessment Rate
- Approve CPA Letter of Engagement
- Avocado Tracking Study presentation
- President's Performance Review



BOARD INFORMATION

ITEM 6.A: 2008-09 FINANCIAL HIGHLIGHTS

SUMMARY:

The following financial data provides a snapshot the 12-month outlook for crop volume, price, and total assessments for the current fiscal year. Also included are selected highlights showing our financial position as of October 31, 2009, as well as operational indicators for the period then ended. We have received and recorded the majority of revenues and expenses. The numbers will still be changing since we expect to receive a few more assessment payments and invoices. The final and audited 2008-09 financial statements will be presented to the Board at the January 21, 2010 meeting.

12-Month Outlook (Nov '08 – Oct '09)

For the fiscal year, the total crop volume is projected to be 35.8 Million pounds (17%) lower than originally estimated. Even though the price-per-pound is now projected to be \$0.093 (9%) higher than originally estimated, the drop in the crop volume is larger and therefore results the total projected crop value to be \$21.3 million (10%) lower than originally estimated. The total CAC assessment and 85% Rebate is projected to be even lower, down \$1.485 Million (15%) from the original estimate because the 85% Rebate is based solely on pounds.

	Original Estimate	Current Estimate	Variance
Crop Volume	210.1 MM lbs.	174.3 MM lbs.	↓ 35.8 MM lbs.
Average Price-per-lb	\$1.050	\$1.143	↑ \$0.093
Crop Value	\$220.6 MM	\$199.3 MM	↓ \$21.3 MM
Total Assessment	\$10.104 MM	\$8.619 MM	↓ \$1.485 MM

Please note that the crop volume projection changed from \$172.3 Million (October Finance Committee packet) to \$199.3 Million (this month's packet). The new projection reflects the corrections made in relation to the assessment reporting discrepancy reported to the Board in October.

Financial Position and Operational Indicators

The following is the Schedule of Cash & Investments as of October 31, 2009, which shows a healthy cash position.

Schedule of Cash & Investments as of October 31, 2009

- Cash in Bank–Checking Acct. = \$106,544
- Investments = \$3,205,636

- Petty Cash = \$200
- TOTAL CASH & INVESTMENTS = \$3,312,380

The following are highlights taken from the Commission's financial reports.

Statement of Net Assets as of 10/31/09 and Revenues, Expenses & Changes in Net Assets – Summary for the period then ended

- Total Assets = \$3,947,333
- Total Liabilities = \$1,092,057
- Total Net Assets = \$2,855,276 (Beg. N.A. of \$3,607,995 - \$752,719)
- Total Revenues = \$9,667,907
- Total Expenditures = \$10,420,626
- Excess of Revenues Over (Under) Expenditures = (\$752,719)

The fiscal year 2008-09 is now projected to end with Reserves (Net Assets) of \$2.9 million, which is significantly higher than our estimate last month. October's estimate did not account for the additional assessments received following resolution of the handler reporting error. On the expense side, the estimate was based solely on the budget. We have revised our revenues with the additional assessments and recorded nearly all of the actual expenses. Based on the current information, we have revised our 2008-09 ending reserves estimate up by \$900,000.

FISCAL ANALYSIS:

- Not applicable.

BOARD OPTIONS:

- Discussion item only.

STAFF RECOMMENDATION:

- Not applicable.

EXHIBITS / ATTACHMENTS:

- 2008/09 Current Crop Volume, Crop Value and Assessment Outlook
- 2008 vs. 2009 Comparison of Monthly Crop Statistics
- Cash & Investment Summary - October 31, 2009
- October 31, 2009 Statement of Net Assets
- 2008/09 Statement of Revenues and Expenses

CALIFORNIA AVOCADO COMMISSION

2008/09 BUDGETED REVENUE PROJECTION BASED ON ESTIMATED VOLUME HARVESTED								
	CROP	AVG****	CROP	2.62%	HASS	AVG	85% Rebate	TOTAL
	LBS.	\$/LB.	VALUE	ASSESSMENT	LBS.***	\$/LB.	\$0.0250 ASSESSMENT *, ***	ASSESSMENT
BUDGET:								
Nov-08	600,000	\$0.790	\$474,000	\$12,419	400,000	\$0.800	\$8,500	\$20,919
Dec-08	1,900,000	\$0.800	\$1,520,000	\$39,824	1,400,000	\$0.810	\$29,750	\$69,574
Jan-09	5,500,000	\$0.850	\$4,675,000	\$122,485	4,900,000	\$0.860	\$104,125	\$226,610
Feb-09	11,300,000	\$0.850	\$9,605,000	\$251,651	10,700,000	\$0.860	\$227,375	\$479,026
Mar-09	16,400,000	\$0.950	\$15,580,000	\$408,196	15,500,000	\$0.960	\$329,375	\$737,571
Apr-09	22,100,000	\$0.910	\$20,111,000	\$526,908	21,300,000	\$0.920	\$452,625	\$979,533
May-09	33,700,000	\$1.060	\$35,722,000	\$935,916	33,200,000	\$1.070	\$705,500	\$1,641,416
Jun-09	29,100,000	\$1.090	\$31,719,000	\$831,038	28,800,000	\$1.100	\$612,000	\$1,443,038
Jul-09	30,100,000	\$1.080	\$32,508,000	\$851,710	29,500,000	\$1.090	\$626,875	\$1,478,585
Aug-09	35,000,000	\$1.180	\$41,300,000	\$1,082,060	34,200,000	\$1.190	\$726,750	\$1,808,810
Sep-09	16,400,000	\$1.180	\$19,352,000	\$507,022	15,900,000	\$1.190	\$337,875	\$844,897
Sub-total	202,100,000	\$1.052	\$212,566,000	\$5,569,229	195,800,000	\$1.062	\$4,160,750	\$9,729,979
Oct-09	8,000,000	\$1.010	\$8,034,000	\$210,471	7,700,000	\$1.020	\$163,650	\$374,121
Sub-total	8,000,000	\$1.004	\$8,034,000	\$210,471	7,700,000	\$1.014	\$163,650	\$374,121
TOTALS	210,100,000	\$1.050	\$220,600,000	\$5,779,700	203,500,000	\$1.060	\$4,324,400	\$10,104,100

2008/09 CURRENT REVENUE OUTLOOK BASED ON ESTIMATED HARVEST PROJECTIONS								
	CROP	AVG****	CROP	2.62%	HAB	AVG	85% Rebate	TOTAL
	LBS.	\$/LB.	VALUE	ASSESSMENT	LBS.***	\$/LB.	\$0.0250 ASSESSMENT *, ***	ASSESSMENT
ACTUAL:**								
Nov-08	444,536	\$0.793	\$352,560	\$9,237	377,100	\$0.851	\$8,013	\$17,250
Dec-08	1,007,209	\$0.514	\$517,528	\$13,531	574,442	\$0.623	\$12,207	\$25,738
Jan-09	3,230,142	\$0.764	\$2,468,826	\$64,623	2,289,515	\$0.760	\$48,652	\$113,275
Feb-09	5,082,946	\$0.792	\$4,025,148	\$105,431	4,114,873	\$0.783	\$87,441	\$192,872
Mar-09	11,106,989	\$0.841	\$9,346,530	\$244,804	9,807,727	\$0.770	\$208,414	\$453,218
Apr-09	34,058,912	\$1.014	\$34,528,942	\$905,949	32,044,616	\$0.843	\$680,948	\$1,586,897
May-09	30,917,134	\$1.018	\$31,486,163	\$817,906	28,913,256	\$0.890	\$614,407	\$1,432,313
Jun-09	37,318,000	\$1.251	\$46,668,867	\$1,222,727	35,086,662	\$1.103	\$745,592	\$1,968,319
Jul-09	36,832,133	\$1.381	\$50,878,710	\$1,334,534	33,905,943	\$1.140	\$720,501	\$2,055,035
Aug-09	13,235,752	\$1.344	\$17,784,442	\$465,891	11,970,989	\$1.352	\$254,384	\$720,275
Sep-09	996,561	\$1.177	\$1,173,391	\$31,053	935,548	\$1.191	\$19,880	\$50,933
Sub-total	174,230,314	\$1.143	\$199,231,107	\$5,215,686	160,020,671	\$1.003	\$3,400,439	\$8,616,125
DIFFERENCE	(27,869,686)	\$0.091	(\$13,334,893)	(\$353,543)	(35,779,329)	(\$0.059)	(\$760,311)	(\$1,113,854)
% Difference	-13.79%	8.65%	-6.27%	-6.35%	-18.27%	-5.56%	-18.27%	-11.45%
PROJECTED:								
Oct-09	69,686	\$1.000	\$69,686	\$1,826	64,729	\$1.010	\$1,375	\$3,201
Sub-total	69,686	\$1.000	\$69,686	\$1,826	64,729	\$1.010	\$1,375	\$3,201
TOTALS	174,300,000	\$1.143	\$199,300,793	\$5,217,512	160,085,400	\$1.153	\$3,401,814	\$8,619,326
DIFFERENCE	(35,800,000)	\$0.093	(\$21,299,207)	(\$562,188)	(43,414,600)	\$0.093	(\$922,586)	(\$1,484,774)
% Difference	-17.04%	8.86%	-9.66%	-9.73%	-21.33%	8.77%	-21.33%	-14.69%

*** Includes Hass and Lamb Hass

**** Average price per lb. Includes all varieties and #1 and #2 fruit.

CALIFORNIA AVOCADO COMMISSION
2008 vs 2009 Comparison of Monthly Crop Statistics

Month	2008 Volume	% of Total	2009 Volume	% of Proj	Incr (Decr)	% Incr (Decr)	2008 Dollars	% of Total	2009 Dollars	% of Proj	Incr (Decr)	% Incr (Decr)	08 Avg \$/lb	09 Avg \$/lb	Incr (Decr)	% Incr (Decr)
Nov	165,824	0.1%	444,536	0.3%	278,712	168.08%	\$64,553	0.0%	\$352,560	0.2%	\$288,007	446.16%	0.389	0.793	0.404	103.86%
Dec	1,087,038	0.3%	1,007,209	0.6%	(79,829)	-7.34%	\$707,827	0.2%	\$517,528	0.3%	(\$190,299)	-26.88%	0.651	0.514	-0.137	-21.04%
Jan	8,049,983	2.4%	3,230,142	1.9%	(4,819,841)	-59.87%	\$6,849,276	2.1%	\$2,468,826	1.2%	(\$4,380,450)	-63.95%	0.851	0.764	-0.087	-10.22%
1st Qtr	9,302,845	2.8%	4,681,887	2.7%	(4,620,958)	-49.67%	\$7,621,656	2.3%	\$3,338,914	1.7%	(\$4,282,742)	-56.19%	0.819	0.713	-0.106	-12.94%
Feb	12,283,695	3.7%	5,082,946	2.9%	(7,200,749)	-58.62%	\$10,400,064	3.2%	\$4,025,148	2.0%	(\$6,374,916)	-61.30%	0.847	0.792	-0.055	-6.49%
Mar	35,026,441	10.7%	11,106,989	6.4%	(23,919,452)	-68.29%	\$33,117,783	10.1%	\$9,346,530	4.7%	(\$23,771,253)	-71.78%	0.946	0.841	-0.105	-11.10%
Apr	47,950,753	14.6%	34,058,912	19.5%	(13,891,841)	-28.97%	\$43,319,526	13.2%	\$34,528,942	17.3%	(\$8,790,584)	-20.29%	0.903	1.014	0.111	12.29%
2nd Qtr	95,260,889	29.0%	50,248,847	28.8%	(45,012,042)	-47.25%	\$86,837,373	26.5%	\$47,900,620	24.0%	(\$38,936,753)	-44.84%	0.912	0.953	0.041	4.50%
1st Half	104,563,734	31.8%	54,930,734	31.5%	(49,633,000)	-47.47%	\$94,459,029	28.9%	\$51,239,534	25.7%	(\$43,219,495)	-45.75%	0.903	0.933	0.030	3.32%
May	44,834,153	13.6%	30,917,134	17.7%	(13,917,019)	-31.04%	\$39,134,656	12.0%	\$31,486,163	15.8%	(\$7,648,493)	-19.54%	0.873	1.018	0.145	16.61%
Jun	54,629,129	16.6%	37,318,000	21.4%	(17,311,129)	-31.69%	\$53,660,167	16.4%	\$46,668,867	23.4%	(\$6,991,300)	-13.03%	0.982	1.251	0.269	27.39%
Jul	61,177,302	18.6%	36,832,133	21.1%	(24,345,169)	-39.79%	\$64,954,604	19.9%	\$50,878,710	25.5%	(\$14,075,894)	-21.67%	1.062	1.381	0.319	30.04%
3rd Qtr	160,640,584	48.8%	105,067,267	60.3%	(55,573,317)	-34.59%	\$157,749,427	48.2%	\$129,033,740	64.7%	(\$28,715,687)	-18.20%	0.982	1.228	0.246	25.05%
Nov - Jul	265,204,318	80.6%	159,998,001	91.8%	(105,206,317)	-39.67%	\$252,208,456	77.1%	\$180,273,274	90.5%	(\$71,935,182)	-28.52%	0.951	1.127	0.176	18.51%
Aug	43,929,611	13.4%	13,235,752	7.6%	(30,693,859)	-69.87%	\$52,159,146	15.9%	\$17,784,442	8.9%	(\$34,374,704)	-65.90%	1.187	1.344	0.157	13.23%
Sep	17,119,952	5.2%	996,561	0.6%	(16,123,391)	-94.18%	\$20,144,811	6.2%	\$1,173,391	0.6%	(\$18,971,420)	-94.18%	1.177	1.177	0.000	0.00%
Oct	2,599,691	0.8%	69,686	0.0%	(2,530,005)	-97.32%	\$2,629,276	0.8%	\$69,686	0.0%	(\$2,559,590)	-97.35%	1.011	1.000	-0.011	-1.09%
4th Qtr	63,649,254	19.4%	14,301,999	8.2%	(49,347,255)	-77.53%	\$74,933,233	22.9%	\$19,027,519	9.5%	(\$55,905,714)	-74.61%	1.177	1.330	0.153	13.00%
2nd Half	224,289,838	68.2%	119,369,266	68.5%	(104,920,572)	-46.78%	\$232,682,660	71.1%	\$148,061,259	74.3%	(\$84,621,401)	-36.37%	1.037	1.240	0.203	19.58%
Totals	328,853,572	100.0%	174,300,000	100.0%	(154,553,572)	-47.00%	\$327,141,689	100.0%	\$199,300,793	100.0%	(\$127,840,896)	-39.05%	0.995	1.143	0.148	14.87%

CALIFORNIA AVOCADO COMMISSION
 Schedule of Cash & Investments
 10/31/2009

Investment Type*	Institution	Term / Days	Yield	CAC Current Market Value	AIP Current Market Value	Total	Monthly Estimated Interest Earned	Collateralization*
Checking Account								
Cash/Sweep-Money Mkt	Wells Fargo Bank			\$106,544	\$46,096	\$152,640	\$0	FDIC
Investment Institutions								
Pooled Government Fund	State of Calif. - Local Agency Inv. Fund		0.640%	\$3,205,636	\$211,108	\$3,416,744	\$113	State of Calif.
Petty Cash								
Cash	N/A			\$200	\$0	\$200	\$0	
				\$3,312,380	\$257,204	\$3,569,584	\$113	
FDIC - Federal Deposit Insurance Corporation								

CALIFORNIA AVOCADO COMMISSION
Statement of Net Assets
Previous Year Comparison
As of Oct 31, 2009

	<u>10/31/2009</u>	<u>10/31/2008</u>	<u>Variance</u>	<u>% Change</u>
Current Assets:				
Cash and cash equivalents	\$ 3,569,584	\$ 4,248,116	\$ (678,532)	-15.97%
Assessments receivable	230,154	494,256	(264,102)	N/A
Other receivables - AIP & HAB expenses	20,899	43,770	(22,871)	-52.25%
Prepays - rent & Nielson	<u>49,548</u>	<u>39,498</u>	<u>10,050</u>	<u>25.44%</u>
 Total Current Assets	 <u>3,870,185</u>	 <u>4,825,640</u>	 <u>(955,455)</u>	 <u>-19.80%</u>
Non-current Assets:				
Capital assets - equipment, furniture, leasehold improvements Being depreciated, net	 <u>77,148</u>	 <u>71,012</u>	 <u>6,136</u>	 <u>8.64%</u>
 Total Assets	 <u>3,947,333</u>	 <u>4,896,652</u>	 <u>(949,319)</u>	 <u>-19.39%</u>
Current Liabilities:				
Accounts payable and accrued liabilities	702,775	983,774	(280,999)	-28.56%
Deposits - AIP Cash in Bank	275,204	293,590	(18,386)	-6.26%
Unearned revenue -- Fees from HAB	89,136	-	89,136	100.00%
Non-current liabilities:				
Capital lease payable - copier and postage machines	<u>24,942</u>	<u>11,294</u>	<u>13,648</u>	<u>120.85%</u>
 Total Liabilities	 <u>1,092,057</u>	 <u>1,288,658</u>	 <u>(196,600)</u>	 <u>-15.26%</u>
Net Assets:				
Beginning net assets	3,607,995	2,825,705	782,290	27.68%
Year-to-date revenue over expense	<u>(752,719)</u>	<u>782,290</u>	<u>(1,535,009)</u>	<u>-196.22%</u>
 Total Net Assets	 <u>\$ 2,855,276</u>	 <u>\$ 3,607,995</u>	 <u>\$ (752,719)</u>	 <u>-20.86%</u>

CALIFORNIA AVOCADO COMMISSION
2008/09 STATEMENT OF REVENUES AND EXPENSES - SUMMARY
Comparison between YTD Actuals & Annual Budget

ACCT CODE	ACCT DESCRIPTION	Nov '08 - Oct '09 Actual	% of Total	'08-'09 Annual Budget	% of Total	% of Annual Budget Realized	Variance
REVENUES							
40001-000	ASSESSMENT REVENUE - CAC ASSESSMENT	5,222,773.40	54.02%	4,889,800.00	53.47%	106.81%	332,973.40
40001-500	ASSESSMENT REVENUE - HAB ASSESSMENT	3,410,985.14	35.28%	3,240,400.00	35.43%	105.26%	170,585.14
40000	ASSESSMENT REVENUE - OTHER	26,906.55	0.28%	-	0.00%	N/A	(16,589.40)
41-42000	OTHER REVENUE	1,000,264.16	10.35%	974,200.00	10.65%	102.68%	8,257.60
42007	GRANT REVENUE-DWR	6,978.24	0.07%	41,300.00	0.45%	16.90%	(34,321.76)
	TOTAL REVENUES	9,667,907.49	100.00%	9,145,700.00	100.00%	105.71%	522,207.49
EXPENSES: Marketing Pgms							
51000	CONSUMER ADVERTISING/PROMOTION	3,236,590.43	31.06%	3,278,900.00	30.27%	98.71%	42,309.57
55000	MERCHANDISING/MARKETING PROMOTIONS	1,625,906.81	15.60%	1,687,300.00	15.58%	96.36%	61,393.19
61000	FOODSERVICE	623,540.55	5.98%	660,500.00	6.10%	94.40%	36,959.45
63000	PUBLIC RELATIONS	699,873.38	6.72%	704,600.00	6.50%	99.33%	4,726.62
63700	INTERNET MARKETING	366,129.79	3.51%	358,900.00	3.31%	102.01%	(7,229.79)
	SUB-TOTAL MARKETING PGMS	6,552,040.96	62.88%	6,690,200.00	61.76%	97.93%	138,159.04
EXPENSES: Non-Marketing Pgms							
64000	INDUSTRY AFFAIRS	1,431,464.10	13.74%	1,606,200.00	14.83%	89.12%	174,735.90
65000	PRODUCTION RESEARCH	1,016,148.00	9.75%	1,016,100.00	9.38%	100.00%	(48.00)
63800	INFORMATION TECH SYSTEMS	78,104.66	0.75%	93,500.00	0.86%	83.53%	15,395.34
66000	GRANT - DWR	2,616.00	0.03%	41,300.00	0.38%	6.33%	38,684.00
70000	ADMINISTRATION	1,340,252.29	12.86%	1,385,100.00	12.79%	96.76%	44,847.71
	SUB-TOTAL NON-MARKETING PGMS	3,868,585.05	37.12%	4,142,200.00	38.24%	93.39%	273,614.95
	TOTAL EXPENDITURES	10,420,626.01	100.00%	10,832,400.00	100.00%	96.20%	411,773.99
	EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(752,718.52)		(1,686,700.00)		44.63%	933,981.48

CALIFORNIA AVOCADO COMMISSION
2008/09 STATEMENT OF REVENUES AND EXPENSES - SUMMARY
Comparison between YTD Actuals & Annual Budget

ACCT CODE	ACCT DESCRIPTION	Nov '08 - Oct '09 Actual	% of Total	'08-'09 Annual Budget	% of Total	% of Annual Budget Realized	Variance
Department: Revenue							
40001-000	ASSESSMENT - CURRENT YEAR	5,222,773.40	54.02%	4,889,800.00	53.47%	106.81%	332,973.40
40001-500	ASSESSMENT - HAB REVENUE	3,410,985.14	35.28%	3,240,400.00	35.43%	105.26%	170,585.14
40002	ASSESSMENT - PRIOR YEAR	(16,589.40)	-0.17%	-	0.00%	N/A	(16,589.40)
40003	PENALTIES - CURRENT YEAR	43,484.00	0.45%	-	0.00%	N/A	43,484.00
40004	PENALTIES - PRIOR YEAR	11.95	0.00%	-	0.00%	N/A	11.95
40005	ASSESSMENT - SUSPENSE	-	0.00%	-	0.00%	N/A	-
	SUB-TOTAL ASSESSMENT REVENUES	8,660,665.09	89.58%	8,130,200.00	88.90%	106.52%	(530,465.09)
41001	REVENUE - HAB PROGRAM SERVICES	458,533.70	4.74%	458,500.00	5.01%	100.01%	33.70
41002	REVENUE - HAB ADMINISTRATIVE SERVICES	444,264.00	4.60%	444,300.00	4.86%	99.99%	(36.00)
41003	ACCOUNTING/ADMINISTRATION FEE REVENUE	37,701.96	0.39%	37,700.00	0.41%	100.01%	1.96
42001	INTEREST INCOME	41,242.28	0.43%	33,700.00	0.37%	122.38%	7,542.28
42002	SALE OF ASSETS	5,478.35	0.06%	-	0.00%	N/A	5,478.35
42005	OTHER INCOME	13,043.87	0.13%	-	0.00%	N/A	13,043.87
	SUB-TOTAL OTHER REVENUES	1,000,264.16	10.35%	974,200.00	10.65%	102.68%	(26,064.16)
42007	GRANT - STATE OF CALIF. (DWR)	6,978.24	0.07%	41,300.00	0.45%	16.90%	(34,321.76)
	TOTAL REVENUES	9,667,907.49	100.00%	9,145,700.00	100.00%	105.71%	(522,207.49)

CALIFORNIA AVOCADO COMMISSION
2008/09 STATEMENT OF REVENUES AND EXPENSES - SUMMARY
Comparison between YTD Actuals & Annual Budget

ACCT CODE	ACCT DESCRIPTION	Nov '08 - Oct '09 Actual	% of Total	'08-'09 Annual Budget	% of Total	% of Annual Budget Realized	Variance
Department: Consumer Advertising							
CONSUMER ADVERTISING:							
51101	MEDIA	2,405,996.69	74.34%	2,433,100.00	74.20%	98.89%	27,103.31
51111	PRODUCTION	130,646.17	4.04%	150,800.00	4.60%	86.64%	20,153.83
51120	CA AVOCADO RETAIL IDENTITY PROGRAM - MISC	49,545.73	1.53%	50,000.00	1.52%	99.09%	454.27
51125	COUPON REDEMPTION	5,595.00	0.17%	5,000.00	0.15%	111.90%	(595.00)
51126	CONSUMER MARKETING SUPPORT	1,386.75	0.04%	1,400.00	0.04%	99.05%	13.25
51127	"BUY CALL" MKTG CAMPAIGN	12,500.00	0.39%	12,500.00	0.38%	100.00%	-
	CONS ADVERTISING SUB-TOTAL	2,605,670.34	80.51%	2,652,800.00	80.91%	98.22%	47,129.66
ADMINISTRATION:							
51201	AGENCY FEES	616,100.00	19.04%	616,100.00	18.79%	100.00%	-
51202	MARKETING PLANNING	14,820.09	0.46%	10,000.00	0.30%	148.20%	(4,820.09)
	ADMINISTRATION SUB-TOTAL	630,920.09	19.49%	626,100.00	19.09%	100.77%	(4,820.09)
	TOTAL CONSUMER ADVERTISING	3,236,590.43	100.00%	3,278,900.00	100.00%	98.71%	42,309.57
Department: Merchandising							
TRADE PROGRAMS:							
55101	TRADE ADVERTISING - MEDIA	79,296.23	4.88%	86,100.00	5.10%	92.10%	6,803.77
55102	TRADE ADVERTISING - PRODUCTION	10,771.15	0.66%	15,000.00	0.89%	71.81%	4,228.85
55103	TRADE RELATIONS	59,356.90	3.65%	61,200.00	3.63%	96.99%	1,843.10
55110	CONVENTIONS	132,474.02	8.15%	100,000.00	5.95%	132.47%	(32,474.02)
55113	5-A-DAY	10,000.00	0.62%	10,000.00	0.59%	100.00%	-
	TRADE PROGRAMS SUB-TOTAL	291,898.30	17.95%	272,300.00	16.14%	107.20%	(19,598.30)
PROMOTIONAL PROGRAMS:							
55236	CO-MARKETING TIE-IN PROMOTIONS	25,003.32	1.54%	25,000.00	1.48%	100.01%	(3.32)
55237	RETAIL PERFORMANCE PGMS (AVOINFO/RIPEMAXI)	197,721.63	12.16%	214,000.00	12.68%	92.39%	16,278.37
	PROMOTIONAL PGMS SUB-TOTAL	222,724.95	13.70%	239,000.00	14.16%	93.19%	16,275.05
INFORMATION SYSTEM & SUPPORT PGMS:							
Research Components:							
55342	CA AVOCADO SALES TRACKING SYSTEM	10,900.00	0.67%	14,000.00	0.83%	3.100.00	3,100.00
55343	SCAN DATA RESEARCH & RIPE SCAN	118,211.40	7.27%	116,300.00	6.89%	101.64%	(1,911.40)
55346	RESEARCH - RETAIL BEST PRACTICES	15,193.75	0.93%	15,000.00	0.89%	101.29%	(193.75)
55347	INVENTORY REPORTING	2,700.00	0.17%	2,700.00	0.16%	100.00%	-
	RESEARCH COMPONENTS SUB-TOTAL	147,005.15	9.04%	148,000.00	8.77%	99.33%	994.85
Support Programs:							
55441	PREMIUMS	1,057.48	0.07%	6,200.00	0.37%	17.06%	5,142.52
55442	RIPE MATERIALS	17,582.76	1.08%	23,500.00	1.39%	74.82%	5,917.24
55443	STORAGE/FULLFILLMENT	24,609.75	1.51%	30,000.00	1.78%	82.03%	5,390.25
	SUPPORT PROGRAMS SUB-TOTAL	43,249.99	2.66%	59,700.00	3.54%	72.45%	16,450.01
	INFO SYSTEM & SUPPORT PGMS SUB-TOTAL	190,255.14	11.70%	207,700.00	12.31%	91.60%	17,444.86
MERCHANDISING/MKTG PROMOTIONS ADMIN:							
55505	SALARIES/WAGES	619,100.90	38.08%	627,000.00	37.16%	98.74%	7,899.10
55506	BENEFITS	137,683.97	8.47%	137,000.00	8.12%	100.50%	(683.97)
55508	PENSION EXPENSE	62,679.15	3.86%	62,500.00	3.70%	100.29%	(179.15)
55509	TRAVEL-STAFF	53,737.13	3.31%	57,800.00	3.43%	92.97%	4,062.87
55510	OFFICE EXPENSE	45,180.79	2.78%	70,000.00	4.15%	64.54%	24,819.21
55511	MEETING & ENTERTAINMENT	2,646.48	0.16%	14,000.00	0.83%	18.90%	11,353.52
	MERCH ADMIN SUB-TOTAL	921,028.42	56.65%	968,300.00	57.39%	95.12%	47,271.58
	TOTAL MERCHANDISING	1,625,906.81	100.00%	1,687,300.00	100.00%	96.36%	61,393.19

CALIFORNIA AVOCADO COMMISSION
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Comparison between YTD Actuals & Annual Budget

ACCT CODE	ACCT DESCRIPTION	Nov '08 - Oct '09 Actual	% of Total	'08-'09 Annual Budget	% of Total	% of Annual Budget Realized	Variance
Department: Foodservice							
ADVERTISING:							
61101	MEDIA	111,470.50	17.88%	115,000.00	17.41%	96.93%	3,529.50
61102	PRODUCTION	22,117.82	3.55%	23,000.00	3.48%	96.16%	882.18
	ADVERTISING SUB-TOTAL	133,588.32	21.42%	138,000.00	20.89%	96.80%	4,411.68
MARKET COMMUNICATION:							
61201	PUBLIC RELATIONS	83,713.66	13.43%	80,000.00	12.11%	104.64%	(3,713.66)
61205	COLLATERAL MATERIALS	12,797.00	2.05%	20,000.00	3.03%	63.99%	7,203.00
61207	FOODSERVICE EVENTS	114,557.80	18.37%	107,500.00	16.28%	106.57%	(7,057.80)
61208	CHAIN PROMOTIONS	225,825.56	36.22%	240,000.00	36.34%	94.09%	14,174.44
	MARKET COMMUNICATION SUB-TOTAL	436,894.02	70.07%	447,500.00	67.75%	97.63%	10,605.98
ADMINISTRATION:							
61301	ACCOUNT MANAGEMENT	53,058.21	8.51%	75,000.00	11.36%	70.74%	21,941.79
	ADMINISTRATION SUB-TOTAL	53,058.21	8.51%	75,000.00	11.36%	70.74%	21,941.79
	TOTAL FOODSERVICE	623,540.55	100.00%	660,500.00	100.00%	94.40%	36,959.45
Department: Public Relations							
PUBLIC RELATIONS PROGRAMS:							
63110	ARTISAN CHEF PROGRAM	79,980.97	11.43%	80,000.00	11.35%	99.98%	19.03
63114	CINCO DE MAYO	69,994.85	10.00%	70,000.00	9.93%	99.99%	5.15
63115	GROWER STORIES	10,457.61	1.49%	13,000.00	1.85%	80.44%	2,542.39
	PUBLIC RELATIONS SUB-TOTAL	160,433.43	22.92%	163,000.00	23.13%	98.43%	2,566.57
CAC NEWS BUREAU:							
63157	ANALYSIS/RESULTS REPORT	36,985.28	5.28%	46,000.00	6.53%	80.40%	9,014.72
63158	CLIP CHARGES/TRAKING SYSTEM	53,624.37	7.66%	38,000.00	5.39%	141.12%	(15,624.37)
63161	NEWS RELEASE & PHOTO WIRE DISTRIBUTION	5,676.50	0.81%	5,500.00	0.78%	103.21%	176.50
63165	RECIPE DEVELOPMENT/PHOTOGRAPHY/NUTRITIONAL A	17,500.00	2.50%	17,500.00	2.48%	100.00%	-
63168	STRATEGY & PLANNING	9,982.50	1.43%	10,000.00	1.42%	99.83%	17.50
63170	ACCOUNT MANAGEMENT & PROGRAM ADMINISTRATIC	84,983.26	12.14%	88,000.00	12.49%	96.57%	3,016.74
63174	NEWS BUREAU/MEDIA RELATIONS	84,367.36	12.05%	86,900.00	12.33%	97.09%	2,532.64
63175	RADIO NEWS & MAT RELEASE	13,203.52	1.89%	13,500.00	1.92%	97.80%	296.48
63176	NEW YORK MEDIA TOUR	39,642.16	5.66%	30,000.00	4.26%	132.14%	(9,642.16)
	CAC NEWS BUREAU SUB-TOTAL	345,964.95	49.43%	335,400.00	47.60%	103.15%	(10,564.95)
COMMUNICATION:							
63206	SUSTAINABILITY COMMUNICATIONS	3,000.00	0.43%	3,000.00	0.43%	100.00%	-
63207	CRISIS COMMUNICATIONS	1,700.00	0.24%	5,000.00	0.71%	34.00%	3,300.00
63208	CRISIS COMMUNICATIONS-CDFA AUDIT-GH	47,566.00	6.80%	47,600.00	6.76%	99.93%	34.00
	COMMUNICATION SUB-TOTAL	52,266.00	7.47%	55,600.00	7.89%	94.00%	3,334.00
NUTRITION:							
63548	NUTRITION COMMUNICATION	121,123.84	17.31%	130,600.00	18.54%	92.74%	9,476.16
63549	NUTRITION RESEARCH COMMUNICATIONS	20,085.16	2.87%	20,000.00	2.84%	100.43%	(85.16)
	NUTRITION SUB-TOTAL	141,209.00	20.18%	150,600.00	21.37%	93.76%	9,391.00
	TOTAL PUBLIC RELATIONS	695,873.38	100.00%	704,600.00	100.00%	99.33%	4,726.62

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Comparison between YTD Actuals & Annual Budget

ACCT CODE	ACCT DESCRIPTION	Nov '08 - Oct '09 Actual	% of Total	'08-'09 Annual Budget	% of Total Budget Realized	Variance
Department: Internet Marketing						
COMMUNICATIONS:						
63701	CONSUMER & SEARCH ENGINE MARKETING	96,903.67	26.47%	101,000.00	28.14%	4,096.33
63721	ONLINE MARKETING & TRADE PROGRAM SUPPORT	91,463.30	24.98%	98,900.00	27.56%	7,436.70
63722	WEBSITE EVOLUTION & ENHANCEMENTS	85,001.80	23.22%	72,000.00	20.06%	(13,001.80)
	COMMUNICATIONS SUB-TOTAL	273,368.77	74.66%	271,900.00	75.76%	(1,468.77)
INFORMATION SYSTEMS:						
63733	FEEDBACK & EVALUATION	15,670.60	4.28%	18,000.00	5.02%	2,329.40
63735	INTERNET HARDWARE SYSTEM MAINT/TTRAFFIC	15,013.14	4.10%	14,000.00	3.90%	(1,013.14)
63736	HARDWARE & SET-UP	5,686.47	1.55%	10,000.00	2.79%	4,313.53
	INFORMATION SYSTEMS SUB-TOTAL	36,370.21	9.93%	42,000.00	11.70%	5,629.79
INTERNET MKTG ADMIN & FEES:						
63791	ADMINISTRATION/PLANNING	56,390.81	15.40%	45,000.00	12.54%	(11,390.81)
	INTERNET MKTG ADMIN & FEES-TOTAL	56,390.81	15.40%	45,000.00	12.54%	(11,390.81)
	TOTAL INTERNET MARKETING	366,129.79	100.00%	358,900.00	100.00%	(7,229.79)
Department: Information Systems						
INFORMATION TECH SYSTEMS						
63802	LAN SUPPORT/MAINTENANCE	53,914.51	69.03%	54,300.00	58.07%	385.49
63805	SYSTEM OPERATION/APPLICATION/HDW/SEWR	24,190.15	30.97%	39,200.00	61.71%	15,009.85
	INFO TECH SYSTEMS SUB-TOTAL	78,104.66	100.00%	93,500.00	83.53%	15,395.34
	TOTAL INFOTECH	78,104.66	100.00%	93,500.00	83.53%	15,395.34

CALIFORNIA AVOCADO COMMISSION
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Comparison between YTD Actuals & Annual Budget

ACCT CODE	ACCT DESCRIPTION	Nov '08 - Oct '09 Actual	% of Total	'08-'09 Annual Budget	% of Total	% of Annual Budget Realized	Variance
Department: Industry Affairs							
AMRIC:							
64101	SYSTEM OPERATION	56,580.00	3.95%	56,000.00	3.49%	101.04%	(580.00)
64102	PHONE LINE CHARGES	-	0.00%	3,000.00	0.19%	0.00%	3,000.00
64103	SUPPLIES/EQUIPMENT/MAINTENANCE	2,025.61	0.14%	2,000.00	0.12%	101.28%	(25.61)
64104	AUDIT	420.00	0.03%	3,500.00	0.22%	12.00%	3,080.00
64105	AM INVENTORY REPORT	10,080.00	0.70%	8,400.00	0.52%	120.00%	(1,680.00)
	AMRIC SUB-TOTAL	69,105.61	4.83%	72,900.00	4.54%	94.80%	3,794.39
CROP ESTIMATING:							
64112	SURVEYS/ANALYSIS/FIELD VERIFICATION	32,894.73	2.30%	40,000.00	2.49%	82.24%	7,105.27
	CROP ESTIMATING SUB-TOTAL	32,894.73	2.30%	40,000.00	2.49%	82.24%	7,105.27
COMMUNICATIONS:							
64121	DATA ENTRY/MAIN/MAIL	3,960.00	0.28%	4,000.00	0.25%	99.00%	40.00
64201	NEWSLETTERS/BULLETINS	17,573.80	1.23%	75,000.00	4.67%	23.43%	57,426.20
64203	SPECIAL PROJECTS/MAILING	18,517.94	1.29%	20,000.00	1.25%	92.59%	1,482.06
64204	FIELD MEETINGS	3,000.87	0.21%	7,500.00	0.47%	40.01%	4,499.13
64205	GROWER INTERNET	81,718.84	5.71%	85,400.00	5.32%	95.69%	3,681.16
64206	ANNUAL REPORT	32,012.66	2.24%	35,000.00	2.18%	91.46%	2,987.34
64207	ANNUAL MEETING	11,461.32	0.80%	11,500.00	0.72%	99.66%	38.68
64208	AVOCADO FESTIVALS	9,138.07	0.64%	15,000.00	0.93%	60.92%	5,861.93
	COMMUNICATION SUB-TOTAL	177,383.50	12.39%	253,400.00	15.78%	70.00%	76,016.50
ISSUES MANAGEMENT:							
64301	AG ISSUES	16,790.70	1.17%	30,000.00	1.87%	55.97%	13,209.30
64302	WATER	248,000.20	17.32%	250,000.00	15.56%	99.20%	1,999.80
64305	SUSTAINABLE PRACTICES/QUALITY	31,306.32	2.19%	31,000.00	1.93%	100.99%	(306.32)
	ISSUES MGMT SUB-TOTAL	296,097.22	20.68%	311,000.00	19.36%	95.21%	14,902.78
PHYTOSANITARY ISSUES:							
64501	LEGAL	2,030.00	0.14%	5,000.00	0.31%	40.60%	2,970.00
64503	TECHNICAL/FIELD	21,365.75	1.49%	55,000.00	3.42%	38.85%	33,634.25
	PHYTOSANITARY SUB-TOTAL	23,395.75	1.63%	60,000.00	3.74%	38.99%	36,604.25
LEGAL/GOVERNANCE:							
64401	WASHINGTON DC - LEGAL	14,896.42	1.04%	15,000.00	0.93%	99.31%	103.58
64402	SACRAMENTO - LEGAL	48,687.72	3.40%	60,000.00	3.74%	81.15%	11,312.28
64601	ELECTION	16,698.46	1.17%	18,000.00	1.12%	92.77%	1,301.54
	LEGAL SUB-TOTAL	80,282.60	5.61%	93,000.00	5.79%	86.33%	12,717.40
ADMINISTRATION:							
64901	SALARIES/WAGES	506,383.31	35.38%	530,000.00	33.00%	95.54%	23,616.69
64902	BENEFITS (FICA, MED, SUI, GRP INS, AUTO ALLOW)	135,458.37	9.46%	131,100.00	8.16%	103.32%	(4,358.37)
64903	TRAVEL	20,185.07	1.41%	25,800.00	1.61%	78.24%	5,614.93
64904	OFFICE EXPENSE	34,519.79	2.41%	33,500.00	2.09%	103.04%	(1,019.79)
64906	PENSION EXPENSE	54,706.37	3.82%	54,000.00	3.36%	101.31%	(706.37)
64907	MEETING & ENTERTAINMENT	1,051.78	0.07%	1,500.00	0.09%	70.12%	448.22
	ADMINISTRATION SUB-TOTAL	752,304.69	52.55%	775,900.00	48.31%	96.96%	23,595.31
	TOTAL INDUSTRY AFFAIRS	1,431,464.10	100.00%	1,606,200.00	100.00%	89.12%	174,735.90

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Comparison between YTD Actuals & Annual Budget

ACCT CODE	ACCT DESCRIPTION	Nov '08 - Oct '09 Actual	% of Total	'08-'09 Annual Budget	% of Total	% of Annual Budget Realized	Variance
Department: Production Research							
MANAGEMENT & PHYSIOLOGY							
65180	DEV FIELD STRATEGIES TO CORRECT ALTERNATE BEARIN	42,585.00	4.19%	42,600.00	4.19%	99.96%	15.00
65187	PHASE III-GA3, PHASE II-2,4-D & AVG FOR COMM'L USE	41,900.00	4.12%	41,900.00	4.12%	100.00%	-
65194	PGR II STRATEGIES TO INCREASE FRUIT SIZE OF HASS AVI	45,240.00	4.45%	45,200.00	4.45%	100.09%	(40.00)
65195	SALINITY-CHLORIDE INTERACTIONS; INFLUENCE ON YIEL	79,381.00	7.81%	79,400.00	7.81%	99.98%	19.00
	MANAGEMENT & PHYSIOLOGY SUB-TOTAL	209,106.00	20.58%	209,100.00	20.58%	100.00%	(6.00)
PESTS							
65189	OPTIMIZATION OF SYSTEMIC PESTICIDES OF MGMT OF F	84,521.00	8.32%	84,500.00	8.32%	100.02%	(21.00)
65192	MGMT & RESIST MONITORING OF AVO THRIPS & PERSE	66,000.00	6.50%	66,000.00	6.50%	100.00%	-
65198	AVO THRIPS CONTROL UTILIZING LOW VOLATILITY SURF	6,000.00	0.59%	6,000.00	0.59%	100.00%	-
65199	PESTS STENOMA PROJECT PART III- GUATEMALA	50,298.00	4.95%	50,300.00	4.95%	100.00%	2.00
65200	DETERMINE SCALE INSECTS, ORIGINATING FM IMPORTE	118,081.00	11.62%	118,100.00	11.62%	99.98%	19.00
65201	DEVELOPMENT OF A BINOMIAL SAMPLING PLAN FOR PE	48,920.00	4.81%	48,900.00	4.81%	100.04%	(20.00)
	PESTS SUB-TOTAL	373,820.00	36.79%	373,800.00	36.79%	100.01%	(20.00)
BREEDING & GENETICS							
65101	SCREENING/EVAL (ROOTSTOCKS)	154,234.00	15.18%	154,200.00	15.18%	100.02%	(34.00)
65105	AVOCADO BREEDING	155,051.00	15.26%	155,100.00	15.26%	99.97%	49.00
65147	DEV OF MOLECULAR MARKERS, MICROSATELLITES	80,000.00	7.87%	80,000.00	7.87%	100.00%	-
	PLANT BREEDING & GENETICS SUB-TOTAL	389,285.00	38.31%	389,300.00	38.31%	100.00%	15.00
DISEASES							
65203	ID, BIOLOGY, EPIDEMIOLOGY/GEO DISTRB OF FUNGAL/E	43,937.00	4.32%	43,900.00	4.32%	100.08%	(37.00)
	DISEASES SUB-TOTAL	43,937.00	4.32%	43,900.00	4.32%	100.08%	(37.00)
	TOTAL PRODUCTION RESEARCH	1,016,148.00	100.00%	1,016,100.00	100.00%	100.00%	(48.00)
Department: Grant							
DWR GRANT							
66701	PROJECT COSTS	-	0.00%	-	0.00%	N/A	-
66702	EQUIPMENT COSTS	-	0.00%	-	0.00%	N/A	-
66703	INSTALLATION	2,436.00	93.12%	10,200.00	0.00%	23.88%	7,764.00
66704	TESTING	180.00	6.88%	23,100.00	0.00%	0.78%	22,920.00
66705	FINAL REPORT	-	0.00%	8,000.00	0.00%	0.00%	8,000.00
	DWR GRANT SUB-TOTAL	2,616.00	100.00%	41,300.00	0.00%	6.33%	38,684.00
	TOTAL GRANT	2,616.00	100.00%	41,300.00	0.00%	6.33%	38,684.00

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ACCT CODE	ACCT DESCRIPTION	Nov '08 - Oct '09 Actual	% of Total	'08-'09 Annual Budget	% of Total	% of Annual Budget Realized	Variance
Department: Administration							
OFFICE EXPENSE:							
71101	RENT	294,667.82	21.99%	290,000.00	20.94%	101.61%	(4,667.82)
71103	INS-LIABILITY	61,529.75	4.59%	63,000.00	4.55%	97.67%	1,470.25
71104	OFFICE SUPPLIES & EXPENSE	39,521.63	2.95%	44,000.00	3.18%	89.82%	4,478.37
71105	UTILITIES	15,570.74	1.16%	16,000.00	1.16%	97.32%	429.26
71106	TEMPORARY HELP	4,256.15	0.32%	6,000.00	0.43%	70.94%	1,743.85
71107	EQUIPMENT MAINTENANCE & EXPENSE	10,686.59	0.80%	10,000.00	0.72%	106.87%	(686.59)
71108	TELEPHONE	14,022.38	1.05%	16,000.00	1.16%	87.64%	1,977.62
71109	JANITORIAL	10,756.05	0.80%	11,000.00	0.79%	97.78%	243.95
71110	POSTAGE	1,215.82	0.09%	3,000.00	0.22%	40.53%	1,784.18
71115	INTEREST EXPENSE - LOAN	7,660.92	0.57%	25,000.00	1.80%	30.64%	17,339.08
71116	DEPRECIATION EXPENSE	43,179.23	3.22%	28,000.00	2.02%	154.21%	(15,179.23)
	OFFICE EXP SUB-TOTAL	503,067.08	37.54%	512,000.00	36.96%	98.26%	8,932.92
PROFESSIONAL FEES:							
71201	CPA - ASSESSMENT AUDITS	17,179.00	1.28%	20,000.00	1.44%	85.90%	2,821.00
71203	CPA - FINANCIAL AUDITS	23,120.12	1.73%	26,000.00	1.88%	88.92%	2,879.88
71204	CALIF. DEPARTMENT OF FOOD & AG. - CDFA	41,788.04	3.12%	47,000.00	3.39%	88.91%	5,211.96
71205	DEPT. OF AG. - USDA/AMS	51,932.00	3.87%	56,000.00	4.04%	92.74%	4,068.00
71206	LEGAL - SOARES - ASSESSMENTS	-	0.00%	3,000.00	0.22%	0.00%	3,000.00
71207	LEGAL - SOARES - POLICIES	11,443.13	0.85%	12,000.00	0.87%	95.36%	556.87
71208	LEGAL - SOARES - CDFA AUDIT	30,912.10	2.31%	35,000.00	2.53%	88.32%	4,087.90
71209	LEGAL - SOARES - LITIGATION	11,957.61	0.89%	20,000.00	1.44%	59.79%	8,042.39
71210	LEGAL - BALLARD/ROSENBERG - LABOR ISSUES	4,093.66	0.31%	5,000.00	0.36%	81.87%	906.34
	PROFESSIONAL FEES SUB-TOTAL	192,425.66	14.36%	224,000.00	16.17%	85.90%	31,574.34
PERSONNEL EXP:							
71301	SALARIES/WAGES	404,905.23	30.21%	398,000.00	28.73%	101.73%	(6,905.23)
71302	PENSION EXPENSE	59,175.83	4.42%	60,000.00	4.33%	98.63%	824.17
71304	EDUCATION, TRAINING, RECRUITMENT EXPENSE	250.00	0.02%	-	0.00%	N/A	(250.00)
71306	BENEFITS (FICA, MED, SUJ, GRP INS, AUTO ALLOW)	88,585.59	6.61%	89,000.00	6.43%	99.53%	414.41
	PERSONNEL EXP SUB-TOTAL	552,916.65	41.25%	547,000.00	39.49%	101.08%	(5,916.65)
COMMISSIONER, TRAVEL & MEETING EXPENSES:							
71401	COMMISSIONERS EXPENSE	91,031.04	6.79%	98,100.00	7.08%	92.79%	7,068.96
71402	TRAVEL EXPENSE	574.55	0.04%	1,000.00	0.07%	57.46%	425.45
71403	MEETING & ENTERTAINMENT	75.73	0.01%	1,000.00	0.07%	7.57%	924.27
	COMMISSIONER, TRAVEL & MGTG EXP SUB-TOTAL	91,681.32	6.84%	100,100.00	7.23%	91.59%	8,418.68
CAPITAL OUTLAY:							
72101	FURNITURE	-	0.00%	1,000.00	0.07%	0.00%	1,000.00
72102	OFFICE EQUIPMENT	161.58	0.01%	1,000.00	0.07%	16.16%	838.42
72103	LEASEHOLD IMPROVEMENTS	-	0.00%	-	0.00%	N/A	-
	CAPITAL OUTLAY SUB-TOTAL	161.58	0.01%	2,000.00	0.14%	8.08%	1,838.42
	TOTAL ADMINISTRATION	1,340,252.29	100.00%	1,385,100.00	100.00%	96.76%	44,847.71



BOARD ACTION

ITEM 6.B: CONSIDER APPROVAL OF BUDGET AMENDMENT NO. 1

SUMMARY:

On October 15, 2009, the Board approved a 2009-10 budget of \$13.5 million. This consisted of the presented spending plan totaling \$13,071,800, and authorization to spend the balance (\$428,200) on consumer marketing activities discussed during the meeting. Specifically, here are the line items that have been adjusted to include the additional \$428,200 authorized by the Board:

Account Code	DEPARTMENT / Activity	Proposed Budget 10-15-09	Approved Budget 10-15-09	Variance
	CONSUMER ADVERTISING			
51001	Media	\$4,016,000	\$4,316,000	\$300,000
	MERCHANDISING			
52311	Sensory Taste Research	\$0	\$128,200	\$128,200
	TOTAL			\$428,200

At the October meeting, Vice President of Marketing, Jan DeLyser, told the Board that line item activities in the Online Marketing portion of the budget would be refined, once staff had the opportunity to meet with Red Door Interactive, CAC's new online marketing firm. You will recall that a decision to hire Red Door occurred late in the planning cycle, precluding them from in-depth involvement in activity and budget development.

Following the Board's action in October, a spending plan for use of the 85% rebate funds from HAB is prepared and sent to the U.S. Department of Agriculture (USDA) for approval. It is important that this occur immediately, so that CAC can commence spending on marketing activities as soon as the new fiscal year begins. Refinements to the Online Marketing portion of the budget were not finalized at the time the 85% budget was submitted. This unusual circumstance is entirely due to the timing of hiring the new Online Marketing agency.

On November 3, 2009, USDA approved the 85% budget submitted by CAC totaling \$8,938,200. **Since subsequent Online Marketing refinements were not included in the USDA-approved budget, a revised 85% budget must be formally adopted by the Board and resubmitted to USDA.** These changes appear in the attached Budget Amendment Number 1. In addition, we now have a clearer picture of the income and expenses associated with the upcoming relocation of CAC headquarters. Further, the Avocado Inspection Program adopted its 2009-10 budget on October 28, 2009, providing additional income to CAC. All of these changes are reflected in Budget Amendment Number 1. Specifically, the line items affected by Budget Amendment Number 1 are as follows:

Account Code	DEPARTMENT / Activity	Approved Budget 10-15-09	Budget Amendment No. 1 Amount	Variance
	REVENUE			
42001	Accounting Fee Revenue from AIP	\$61,000	\$74,285	\$13,285
48005	Sublease Rent Income	\$0	\$146,410	\$146,410
	Total Revenue			\$159,695
	EXPENDITURES			
	PUBLIC RELATIONS			
54004	Social Media Content	\$70,800	\$40,000	(\$30,800)
	Subtotal PR			(\$30,800)
	ONLINE MARKETING			
55101	Search Engine Optimization	\$23,100	\$26,300	\$3,200
55103	Social Media Execution & Tracking	\$57,000	\$81,300	\$24,300
55201	Media	\$71,900	\$37,335	(\$34,565)
55301	Web Site Updates	\$10,000	\$8,850	(\$1,150)
55401	Hardware Hosting	\$17,850	\$21,250	\$3,400
55402	Mass E-Mailing	\$8,600	\$8,850	\$250
55403	Video Streaming Service	\$4,800	\$3,200	(\$1,600)
55404	Other Software & Hardware	\$2,150	\$2,015	(\$135)
55801	Program Administration / Fees	\$122,300	\$159,400	\$37,100
	Subtotal Online Marketing			\$30,800
	ADMINISTRATION			
71101	Rent-Office-12 Mauchly	\$0	\$16,400	\$16,400
71102	Rent-Office-CAM, Ins, Tax-12 Mauchly	\$0	\$14,000	\$14,000
71107	Moving Cost	\$0	\$40,000	\$40,000
71108	Sublease Costs	\$0	\$46,400	\$46,400
71123	Janitorial-12 Mauchly	\$0	\$5,000	\$5,000
71131	Utilities-Electricity-12 Mauchly	\$0	\$10,200	\$10,200
	Subtotal Administration			\$132,000
	Total Expenditures			\$132,000

Board approval of Budget Amendment No. 1 is, in part, a formality required to comply with USDA's requirements for spending of the HAB rebate funds, but it also provides clarity on how funds allocated to Online Marketing will be expended, as well as detail on income and expenses associated with the relocation of CAC headquarters, and includes increased income from AIP.

FISCAL ANALYSIS:

- Budget Amendment No. 1 provides specific line item detail on how Online Marketing funds will be spent, and detail on income and expenses associated with relocation and AIP fees. In all other respects, it is the same as the budget presented in October 2009.

BOARD OPTIONS:

- Adopt Budget Amendment No. 1 as presented.
- Modify the proposed budget, and approve the modifications.
- Take no action.

STAFF RECOMMENDATION:

- Management recommends approval of Budget Amendment No. 1 so that CAC can comply with USDA requirements and also establish budget categories to address the relocation of headquarters.

EXHIBITS / ATTACHMENTS:

- None. A complete 2009-10 Business Plan and Budget will be provided to Board members at the November meeting.



ITEM 7.B: CONSIDER REQUEST FOR CONTRIBUTION FOR CABI AVOCADO TEXTBOOK

SUMMARY:

Recently, the California Avocado Commission and California Avocado Society each received a request from Bruce Schaffer, Professor of Plant Physiology, University of Florida regarding production of a second edition of *"The Avocado: Botany, Production and Uses."* The textbook is being edited by Bruce Schaffer, Nigel Wolstenholme and Tony Whiley and is expected to be published by CAB International Press in early 2011.

Specifically, Dr. Schaffer inquired about whether CAC would be willing to contribute \$1,000 to \$2,000 so that the textbook can include color photos of important cultivars, diseases, insects, and effects of nutrient deficiencies. CAB does not cover the cost of color plates and when the first edition of the textbook was published, the South African and Australian Avocado Growers' Associations paid for the plates. Dr. Schaffer noted that in the second edition, chapters on Cultivars and Rootstocks, Reproductive Biology, Entomology, Cultural Practices, and Marketing will each have one or more coauthors from California.

Any contribution by CAC would be acknowledged in the textbook.

FISCAL ANALYSIS:

- A contribution could be funded from existing reserves

BOARD OPTIONS:

- Contribute to the project to help partially offset the cost of the color photos
- Decline the contribution request
- Take no action

STAFF RECOMMENDATION:

- In the spirit of international cooperation and goodwill, management recommends that the Board commit to a contribution within the range requested

EXHIBITS / ATTACHMENTS:

- None



ITEM 7.C: DISCUSSION OF MULTI-COUNTRY RESEARCH PROJECT ON AVOCADO ALTERNATE BEARING

SUMMARY:

CAC has been approached about our organization's interest in the design and implementation of a multi-country research project that would address an issue shared by avocado-producing regions around the world—variable yields due to the alternate bearing tendency of avocado trees. Specifically, Antony Allen, CEO of Avocados Australia, has taken steps to open a dialogue with avocado industry associations in New Zealand, South Africa, Peru, and other producing countries about such projects. Citing resource limitations facing all industry associations, and the possible availability of matching funds from the Australian government, Mr. Allen proposed collaboration with the main objective of improving the regularity of avocado yields. The approach he suggested would be a holistic one, with the best scientists doing work in locations deemed most appropriate given the research project design. A copy of Mr. Allen's initial email on this subject is attached.

Although discussions have just begun, New Zealand industry representatives quickly responded positively to the idea. Alan Thorn, CEO of the Avocado Industry Council in New Zealand wrote:

“putting a global focus on biennial bearing would seem to be a very productive way to bring our collective resources and finances together to resolve what is a limiting production issue for us all. This could become a significant focus of the planned 2011 World Congress in Australia if we can get commitment to a joint program in the immediate future. From a New Zealand perspective, we would be willing to participate in this proposed joint approach.”

Thus far, the Commission has only responded with a willingness to obtain Board input on the idea of focused, multi-country research. One approach to moving forward might be to identify scientists who could be involved in such a project and request that they collaboratively develop a concept paper on research design, to help build support for the effort. This idea was sent to Antony Allen by CAC management on October 29, 2009.

Please give some thought to Mr. Allen's proposal so that CAC can provide feedback to Avocados Australia, the Avocado Industry Council, and others who are advocating such a project.

FISCAL ANALYSIS:

- No immediate fiscal impact; primarily a discussion item at this stage.

BOARD OPTIONS:

- Discuss the proposal at Board level or direct Production Research Committee to provide input
- Take no action

STAFF RECOMMENDATION:

- Management recommends Board discussion on the topic with the idea of staying engaged with our international counterparts to determine if this is a viable idea

EXHIBITS / ATTACHMENTS:

- Email message from Antony Allen to Tom Bellamore, dated October 22, 2009

From: Antony Allen
To: Tom Bellamore
Date: October 22, 2009

Dear Tom,

This email seeks to begin a conversation that is intended to result in a multi avocado producing country project/s that would work toward better knowledge and tools for each of our country's growers.

The main objective in undertaking this type of project would greatly improve the regularity of avocado yields.

Why propose this type of approach?

All Australian production areas suffer with this issue to varying degrees. We recognise that it is one of our key limiting factors that prevents growers gaining maximum business productivity. These would seem to apply to all avocado producing countries.

So my idea, which of course you are welcome to modify, this is the first take on building something of value to all our industries.

The summary:

- The issue affects all producing countries
- Regular yield is key to profitable avocado businesses
- All of our scientific resource are reducing
- No one country has the science resource to effectively work on the issue individually
- Combined dollar resources would get and more effective return on investment, more quickly
- With a collective project we could move effectively build increased capacity and interaction in avocado R&D in general

The other potential bonus is that the Australian levy system (check off system) will allow matching dollars for any dollars that contributed by international organisation/businesses. This means \$10 from overseas becomes \$20. The ability to undertake (spend the \$) the work in any country is not restricted i.e. the project does not have to be undertaken in Australia at all. So the project would be a totally holistic one, the best people and the most appropriate country or countries would be involved in the project.

I have started the conversation with New Zealand, South Africa and the US as we all have formal levy systems that have some focus on R&D and have been in place for many years. We also all have some scientific expertise/resource. I don't see any reason to excluded other producing counties if they are able to offer expertise and dollars of course.

I personally feel the business case for collaboration on research of this type is a strong one, I am hoping that fact that we can double the collaborators dollars will assist the drive to get the work done.

Please feel free to put any comments at all forward.

Regards
Antony

Antony Allen

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ITEM 8.A: POTENTIAL WATER PROJECTS FOR 2009-10

SUMMARY:

CAC has been engaged in water issues affecting avocado growers since the early 1990s, with these four foundation goals:

- *Encourage programs that provide affordable, acceptable quality water to agricultural users*
- *Convince water agencies to establish an equitable basis for agricultural rates that reflect the values and benefits realized from the agricultural sector*
- *Work to separate agriculture from other classes of service and establish a basis for pricing independent from other rate-setting actions*
- *Advocate workable water quality policies*

CAC has primarily focused on obtaining rate discounts from the Metropolitan Water District, the regional water wholesaler whose member agencies supply water to approximately 70% of the state's avocado acreage. CAC was also involved in the Cachuma Project contract renewal, assisting San Luis Obispo growers with discharge waivers, helping the Ventura County Agricultural Water Coalition reduce the compliance schedule for chloride TMDL, Goleta rate-setting actions, and analysis of Casitas Water District proposed rate increases. Collectively, these efforts have delivered over a 100 to 1 return on the growers' investment in water issues. The Interim Agricultural Water Program (IAWP) alone has netted nearly \$250 million in direct rate discounts to growers since its inception.

Success at this level is nearly impossible to sustain given the complex challenges associated with California's water supply and delivery system, the prolonged drought, and the current state of the economy. Consequently, there has been a diversity of opinion among CAC Board members regarding future investment in water issues. Clear direction from the Board is needed if CAC is to continue a water program aimed at influencing key decision-makers in 2009-10. To frame the discussion about CAC's continuing involvement in water issues, management requested that the water technical consultants at Malcolm Pirnie prepare a list of potential projects for Board consideration. The project list is attached for Board review. Of course, the Board has the option of undertaking projects other than those listed, or re-thinking CAC involvement in water issues altogether.

FISCAL ANALYSIS:

- The estimated cost for each project appears after the project title.

BOARD OPTIONS:

- Discuss overall direction of the water program and determine the desired level of ongoing involvement in water issues.
- Consider the specific project concepts for 2009-10; elect to pursue one or more.
- Reject the proposed projects and direct the Southern California Agricultural Water Team to identify alternative projects.

STAFF RECOMMENDATION:

- Management recommends proceeding with the two ET controller projects, at a combined cost of \$15,000, since these are just getting underway and they are primarily funded through grants from the Department of Water Resources and the U.S. Bureau of Reclamation.

EXHIBITS / ATTACHMENTS:

- Potential list of water projects for 2009-10, prepared by CAC's water technical consultants at Malcolm Pirnie

POTENTIAL CAC WATER RESOURCES PROJECTS

FOR

FY2009-10

Project 1 – MWD Long-Term Conservation Program (\$19,000) – Malcolm Pirnie (MP) would continue to monitor MWD activities and coordinate CAC efforts associated with MWD's development of its Long-Term Conservation Program, which includes development and implementation of MWD's Ag Conservation and Land Fallowing Programs. MP efforts would include:

- Advocating for MWD funding of an agronomist to assist growers
- Participating in the implementation process for the Ag Conservation Program including the structure of the Water Savings Performance Program and identification of devices for rebates
- Attending the MWD Conservation Coordinators meetings to represent Ag interests
- Developing and advocating for a voluntary fallowing program for growers
- Advocating for continued Ag Conservation Program funding for FY10-11 and beyond
- Researching additional USBR and DWR conservation funding opportunities

Project 2 – MWD Integrated Resources Plan /Strategic Policy Review/ Blue Ribbon Task Force (\$23,000) – MWD is in the process of updating its Integrated Resource Plan (IRP), which will define the region's efforts to develop new water supplies and conservation programs for the next 25 years. As part of this process, MWD is undertaking Strategic Policy Review focused on defining MWD's future role in developing these new supplies and water savings. In addition, at its recent retreat, the MWD Board of Directors has decided to form a Blue Ribbon Task Force composed of a broad range of representatives predominately from outside of the water industry to help forge a vision for MWD going forward. MP would continue to monitor MWD and member activities and coordinate CAC efforts associated with these efforts including:

- Assessing the impacts of proposed changes in MWD's role on CAC's efforts to achieve its water supply and water quality objectives
- Analyzing the impacts of the new water supplies and conservation programs on Ag water reliability and quality
- Identifying particular supply and/or conservation programs where CAC would enter into partnerships with agencies to further CAC's water supply and water quality objectives
- Advocate for avocado industry representation on the Blue Ribbon Task Force
- Researching additional USBR and DWR funding opportunities to implement new supply programs to benefit growers

Project 3 – MWD Long Range Finance Plan/Cost of Service Update (\$21,000) – MWD is also in the process of revising its Long Range Finance Plan and reviewing its cost of service methodology, which will likely have significant impacts on the composition of MWD's rates and charges as well as the allocation of MWD's costs within particular rates and charges. MP would continue to monitor MWD and member agencies activities and coordinate CAC efforts in the following areas associated with MWD finance and rates:

New Rate Elements

- Assisting with the phase out of the IAWP
- Educating growers regarding the collection of the Readiness-to-Serve (RTS) charge as a result of the IAWP phase out
- Monitoring retail agency efforts to implement the RTS charge on non-IAWP growers and assess whether agencies may have already been collecting
- Analyzing the impacts of proposals for new fixed revenue sources (i.e., charges and taxes) on growers
- Monitoring efforts to implement a Treated Water Capacity Charge and its potential impacts on growers and, if necessary, advocate for an exemption of Ag demands from such a charge

Changes in Cost Allocation MWD Rate Structure

- Assessing the impacts of any reallocation of costs within MWD’s existing schedule of rates and charges
- Advocating for consideration of the impacts on growers from any proposed changes

Project 4 – SDCWA Special Ag Water Rate (\$12,600) – the SDCWA Board has formed a subcommittee to consider changes to the Special Ag Water Rate that provides a discount to growers based on a different level of reliability. MP would analyze any proposed changes, identify the impacts and develop proposed amendments as appropriate. Additionally, as SDCWA enters into additional supply agreements, the basis for this discount could be impacted. MP would perform the same analysis for these proposals.

Project 5 – CAC Strategic Planning Process on Future Water Supplies (\$15,000) – MP would facilitate a process to develop a strategic direction for CAC’s efforts to ensure a stable, affordable water supply for the avocado producers of Southern California. The process would focus on identifying the following:

1. CAC’s Water Resources Objectives for the Next 25 years
2. Strategies for Achieving the Identified Objectives
3. Potential Partners in Achieving the Objectives

Specific outcomes from the process could include:

- Establishment of a desired levels of water supply reliability and quality
- Identification of the financial, technical and political support necessary to achieve the objectives
- Identification of the direction of CAC water supply and quality advocacy (e.g., MWD vs. MWD member agencies and sub agencies, federal and state legislators)

Project 6 – Proposition 50 ET Controller (\$7,500) – MP would continue participation in the study of the use of “smart” ET controllers to regulate irrigation at avocado groves with grant funding from the California Department of Water Resources (DWR).

Project 7 – USBR ET Controller Program (\$7,500) – MP would continue participation in the ET controller study in cooperation with the Rancho California Water District and the USBR.

Project 8 – SCAWT meetings (\$18,000) – MP would continue to organize, attend and provide briefings of the Southern California Agricultural Water Team (SCAWT) with CAC management and the Water Team Chairman.

Ed Means - Mr. Means brings nearly 30 years of water utility and consulting experience to the project including 18 years with the Metropolitan Water District of Southern California, culminating in 2-1/2 years as Deputy General Manager and Chief Operating Officer. He has managed several Water Research Foundation (WRF) projects including the Strategic Assessment of the Future of Water Utilities, Communicating the Value of Water, and Water Quality Management: How to Structure it in a Utility. He is project manager for two climate related studies: WRF's *Evaluating the Effects of Climate Change on Engineering Design and Water Resources Planning* and a Water Utility Climate Alliance project examining decision support methods of considering climate change in water utility operations. He has received several awards for his contributions to the drinking water industry, including the AWWA George Warren Fuller Award, the Association of Metropolitan Water Agencies (AMWA) President's Award, and the NWRA President's Award. Mr. Means' particular areas of expertise include: water resources management, strategic planning and water quality studies and investigations in source waters, treatment plants and distribution systems. He has deep familiarity with California technical and institutional issues associated with water resource development.

Michael Hurley - Mr. Hurley has over 17 years of experience in water resources planning and management, including resource program design and implementation, long-term resources planning, financial analysis and shortage allocation planning at both the wholesale and retail level. He also has experience developing urban water management plans for large, urban water agencies. Mr. Hurley previously worked at the Castaic Lake Water District, where he held the position of Water Resources Manager overseeing the agency's water resources and conservation efforts, including developing the agency's response to comments from the California Department of Water Resources regarding Castaic's 2005 Urban Water Management Plan. Prior to that, Mr. Hurley was a Resource Specialist at the Metropolitan Water District of Southern California where he served as project manager for the agency's 2005 Urban Water Management Plan, which was completed on time, within budget, and received no critical public comment. Mr. Hurley's other experience at Metropolitan included directing Metropolitan's Water Surplus and Drought Management (WSDM) Technical Team, updating the shortage allocation plan and directing various resource program implementation and long-term resource planning projects. Mr. Hurley also worked for the Colorado River Board of California.