

May 22, 2009

Good day!

This correspondence is an update on the National Fruit & Vegetable Research & Promotion Board concept that was proposed for industry consideration at the PBH Board meeting on April 3, 2009.

As we discussed at that time, the concept of a national industry-funded promotion program has been debated in the industry off and on for many years. As all of us involved in PBH are universally committed to growing fruit and vegetable consumption, the PBH Executive Committee in 2008 authorized the forming of a task force of volunteers to consider how such a program might be developed, and then to determine if it might be supported by the industry. Following a thorough review of the task force's work, the Executive Committee voted unanimously to begin a broad industry discussion on the concept, using the tangible work of the task force from which to begin the discussion, not to lobby for its passage, but to generate a positive and meaningful industry dialog about the potential value and interest across the industry in pursuing this concept.

Over the past six weeks, I'm pleased to have had the opportunity to discuss the promotion board concept and "best thinking" of the task force with many association boards, in public meetings, via webinars, and with the trade press. We've heard a lot of important feedback, and that is precisely why our Executive Committee wanted to conduct an industry discussion on the topic before deciding whether to support a formal recommendation to USDA for consideration.

In general, there are two types of feedback that we've received - one expected and hoped for, and one rather unexpected.

First, we are very pleased with the different views and critiques expressed about specific provisions of the concept. There have been important questions raised about who should fund and who should vote on a promotion board; about what level of funding would be most effective, and how we'd measure success; about the expertise and controls needed to ensure wise use of funds; and many other views on specific aspects of how a board might work, and whether it's a good idea. Let me assure you, those are precisely the views the Executive Committee had hoped to hear by taking this discussion to the broad industry.

On the other hand, we've also heard some criticism that perhaps PBH shouldn't even be having this conversation. That was unexpected, although perhaps we were naïve not to anticipate some of that reaction. Our Executive Committee met again this week by conference call, and again expressed its strong belief that this is an important issue for the industry to debate, and that the Executive Committee believes it is squarely within the scope of PBH's mission to facilitate the industry's discussion on this subject. Fostering consideration of any "big idea" that might help us grow fruit and vegetable consumption is our mission, and we think this might be one of those ideas. The industry can only vote on the matter if someone serves it up for consideration, and we believe that PBH is "on mission" acting as the catalyst for consideration.

That does not mean PBH is lobbying for this proposal. In fact, the Executive Committee has made it extremely clear that we want to get the dialog going, listen carefully to input from all those potentially affected, and only then would we consider asking USDA to plan a formal referendum in which the industry would vote.

Do we explain why a decision was made one way or the other by the task force? Absolutely. Do we propose alternatives? Certainly. That, to me, is dialog, not lobbying. Unless this dialog occurs, we won't really know what you in the industry think of various options.

Honestly, we have no interest in pushing any concept if it is not supported by the majority of those who would fund such a program. We do believe, however, that it is part of our responsibility at PBH to explore all potential concepts that might help meet our goals for increased consumption, and this is an entirely appropriate conversation to have.

Let me also share a few thoughts about steps we are taking:

1. We want to be transparent in this effort, and take in all views pro and con. You can be assured we're writing down all comments we hear in meetings, saving emails and letters, and accumulating all the pros and cons we can. We're also looking at the best ways to make these comments publicly available, so it furthers an open and candid discussion. For now, the initial expected questions with responses can be found [here](#) at www.fvcampaign.org and the last six weeks of questions with responses are found [here](#) on the same site.
2. We've also formed a task force of volunteers to look at issues that are being raised as we go, so we can listen for consensus and begin to explore options to address potential problems identified.
3. We've almost completed our first round of information sharing with various boards and industry groups, and will continue to host public webinars for industry input. Rather than one-way sharing which was necessary in first sharing the concept, we now want to stimulate greater comments from the industry. One way we hope to do that is to invite some advocates, pro and con, to share their views in future webinars and town hall meetings. Again, our goal is to get as much dialog going and input as possible.
4. The Executive Committee has authorized working with an independent research firm to gauge opinions of growers/shippers/processors over the course of this process: this firm will conduct two surveys, several months apart to provide objective feedback about questions, issues and concerns, and to see whether efforts to address those concerns over the course of the industry feedback period have any material impact on the level of industry support. In addition to PBH, various trade associations will be providing confidential contact information to the third party vendor to assure that a wide sample of growers/shippers/processors is reached. This will be the main means of assessing industry interest and the results will also be made publicly available on the www.fvcampaign.org website, once aggregated.

In the end, PBH is committed to a healthy debate on the pros and cons of this concept. We want to dig deep into your recommendations for how a promotion board might best be structured, if in fact, there is sufficient support. We don't know where the industry will net out on this effort, but we believe it is a vital conversation for our industry to have, and invite all of you to weigh in strongly and make your views known. I always value hearing directly from you, our true stakeholders, and encourage you to pick up the phone and call me to discuss whatever is on your mind regarding this or any other topic. I can be reached at 302-235-2329, ext 315. I know that your Executive Committee members feel the same. Please feel free to reach out to them as well:

Chairman of the Board: Paul Klutes, C.H. Robinson Worldwide, Inc.

Vice Chairman of the Board: Andrea Astrachan, Ahold USA
Secretary/Treasurer: Roger Pepperl, Stemilt Growers, Inc.
Immediate Past Chair: Mark Munger, Andrew & Williamson Fresh Produce
Consumer Mktg & Communications Comm Chair: Kari Bretschger, Integrated Marketing Works
Development Committee Chair: Matt Middleton, Ventura Foods
At-large Members: Terry Humfeld, Produce Marketing Association
Kim Kirchherr, Jewel-Osco
Tom Stenzel, United Fresh Produce Association
Gregg Storey, Bayer CropScience
Marty Ordman, Dole Food Company
Paul Palmby, Seneca Foods Corporation
Suzanne Wolter, Rainier Fruit Company

Finally, it is equally important to recognize that the day to day business at PBH carries on. The first quarter of 2009 continues to build on the momentum created by the successful launch of Fruits & Veggies-More Matters®. For example, the www.fruitsandveggiesmorematters.org website, the "go to" source for Moms, has increased in popularity as demonstrated by strong monthly average visits and opt-in participants. Retailers, growers/shippers/processors, public health partners, educators and the media have continued to show strong support for the national health initiative by spreading the message through various mediums. For details about the 2009 business plan and the progress being made, [read the quarter one update narrative](#) and [summary document](#) found in the donors section of the PBH Foundation website, www.pbhfoundation.org.

Again, feel free to contact me directly at any time: 302-235-2329, ext. 315 or epivonka@pbhfoundation.org.

Sincerely,



Elizabeth Pivonka