International Blackcurrant Association

Best Berry for Life!

Record and Minutes of 2012 Annual General Meeting and various meetings and events at the 4th IBA Conference, Dundee Scotland, May 2012

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Minutes of the 4th Annual General Meeting of the International Blackcurrant Association

Held at the Apex Hotel, Dundee, Scotland, Tuesday 15th May 2012, commencing 4.15pm.

1. Welcome by President, Jim Grierson.

2. Apologies:
    a. Jarrow Rogovin (USA); Wieslaw Blocki (Poland); Anthony Snell (UK); James Tavendale (NZ); Jane Lancaster (NZ); Greg Quinn (USA).

3. Minutes of the 3rd AGM held in Goes, Netherlands, May 2011.
    a. Minutes approved (Moved Jensen/Seconded Eder).

4. Matters arising from the Minutes of the 2nd AGM:
    a. A general discussion took place on membership by Eastern European countries. Noted that Poland had created a Grower Association which would become a financial member of the IBA; and that other countries such as Ukraine and Lithuania now attending IBA Conference. Jim Grierson congratulated Stan Pluta on his work in assisting the Polish industry to develop its own grower group.

5. Presidents Report:
    a. Read and adopted (Moved Jensen/seconded Eder).

6. Annual Financial Statement (AFS):
    a. Presented by Jim Grierson who noted the following-
        i. Four Leaf Japan had agreed to advance payment of their sponsorship for the 2011-2012 year to assist IBA cash-flow. This resulted in a double payment within one financial year for Four Leaf Japan.
        ii. Floyd Marketing Ltd had agreed to the IBA suspending payment of their invoices but still providing management services, while cash-flow had been an issue.
        iii. The financial statement was shown in Euro for the benefit of the majority attending the AGM but the various incomes and expenditures had been transacted in NZ dollars during the 12 months. Due to currency fluctuations this meant the Euro sum shown was not exactly correct; and that a set of records in NZ dollars was available for any member showing the exact values.

7. Matters arising from the AFS:
    a. In response to questions from the floor Jim Grierson explained that the Executive costs were for travel and accommodation for Conference; and that the IBA had provided NZ$8000 to the organizing committee of the Goes Conference for assistance with that event.

8. Adoption of the AFS:
    a. Moved Grierson/Seconded Jensen. Agreed unanimous.

9. General Managers report on activities of the IBA in the 2011-2012 year:
    a. The General Manager summarised the Paper, explaining that the full details of activity was provided because the Financial Statement had recorded all Floyd Marketing's work under the heading 'administration' whereas 'administration' as such was a very small part of the work paid for.
    b. Jim Grierson noted that:
        i. The General Manager's position was appointed by the Board.
        ii. As from 2012 the General Manager performance would be formally reviewed by the President and another Board member. A written assessment of the review would be provided to the General Manager and be included in the AGM papers each year.
        iii. Floyd Marketing Ltd (FML) was contracted to carry out the position of General Manager and this work was done by FML's principals, Bill and Sandee Floyd.
        iv. FML was well respected in New Zealand and had proven to be a very good team working for the benefit of the IBA membership.

10. IBA Rules of Association:
    a. The draft IBA Rules of Association were read by Jim Grierson who invited members to discuss the draft and noted that, if approved by the meeting, the Rules would come into effect immediately. A discussion then followed:
        i. John Tavendale believed that the immediate Past President should be part of the Board structure and was concerned that his or her skills shouldn't be lost to the Board. He suggested that this could be an ex officio appointment and be for a two year period.
        ii. Jo Hitchley suggested that 5 years was a long term for President and this should be reviewed. The discussion that followed agreed that a four-year term would allow the election of President to be tied to the major bi-annual Conference.

b. Jim Grierson thanks John and Jo for their constructive comments and asked that the meeting approve the draft as it was and allow the new Board to make any changes warranted. Jim noted that the Rules weren't 'cast in concrete' but could be changed as circumstances required.
c. Moved that the IBA Rules of Association be adopted:
    i. Moved Grierson/Seconded Kearney. Carried Unanimous.

11. Election of officers:
    a. Jim Grierson explained his recommendation for a new Executive structure with two Vice Presidents (one responsible for Europe and the other for Asia/Australasia/North America).
    b. These two Vice Presidents, with the President and the General Manager, would form the IBA Executive and be charged with the daily-monthly conceptualization, implementation and management-governance of the IBA's activities.
    c. Jim Grierson then explained that the Executive recommended a rotational approach to Board appointees and that Jo Hitchley (UK), Dr Miyanaga (Japan) and Greg Quinn (USA) had been asked to stand down as part of that rotation. This recommendation was based on those persons having not been able to participate in regular Board activities and AGM's over the last 36 months.
    d. Jim Grierson noted that valuable contribution all three had made to the founding of the IBA and especially, Dr Miyanaga's vision in suggesting the IBA's strap-line, "The Best Berry for Life".
    e. Jim Grierson noted that all three would continue to be key members of the IBA, Jo Hitchley thorough her Chair position with the UK Foundation, Dr Miyanaga as Chair of the critically important Japan Cassis Association and Greg Quinn who was expected to play a key role in the future development of a North American Country Association of the IBA.
    f. Jim Grierson then advised he was not be seeking re-election and accordingly was standing down as President and would Chair the election of the Board and its officers.
    g. Nominations for the seven Board positions were:
        i. Svend Jensen, Denmark (Moved Ennser/Seconded Eder).
        ii. David Eder, Four Leaf Japan (Moved Kearney/seconded Leith)
        iii. Anthony Snell, UK (Moved Hitchley/Seconded Hyatt)
        iv. Dirk Herdieckheroff (Moved Eder/Seconded Kearney)
        v. Florent Balliard, France (Moved Jensen/Seconded Eder)
        vi. Mike Kearney, NZ (Moved Jensen/Seconded Snell)
        vii. Franz Ennser, Agrana (Moved Jensen/Seconded Kearney)

h. There being no more nominations and given that all the above had been confirmed unanimously by the meeting, Jim Grierson congratulated the seven members on their election or re-election.

i. Jim Grierson then called for nominations for the position of President.

    i. Svend Jensen was moved by Jim Grierson and seconded by mark Eder. No other nominations were moved and the meeting unanimously approved Jensen's appointment.

    ii. Nominations for Vice Presidents were Anthony Snell and Mike Kearney (Moved Tavendale/Seconded Stephens). No other nominations were made and the meeting voted unanimously for their appointments.

12. The Future Direction of the IBA:

    a. 'Growing a Prosperous Future' -strategy paper presented by Svend Jensen.

        i. Copied of this paper had been supplied with the AGM papers. Svend spoke to each heading and asked if there was any concerns. Agreed that the Strategy paper form the basis of the Board and the Executive's planning. *Note that no formal vote taken on this.*

    b. IBA Activities Programme for 2012-2013 – draft programme presented by IBA General Manager, Bill Floyd.

        i. Bill noted that the degree to which activities could be implemented was totally dependent on funding.

        ii. Funding would be developed by a mix of sponsorship, new Country memberships and a new membership category for private individuals.

        iii. Final prioritization and degree of implementation of tactics would be decided by the Executive and subject to funding available.

13. General Business:

    a. Agronomy Forum: report on the inaugural Agronomy Workshop presented by Rob Saunders, Forum chair.

        i. Rob explained that the inaugural forum had presentations by Jim Grierson (nutrition), Geoff Langford (gallmite), Rob (sudden bush death), Michelle Fountain; (pollination); Bill Floyd (Grower of the Year concept); and a wrap by Jim Grierson.

    b. Marketing Forum: report by Bill Floyd, IBA general Manager:

        i. Presentation by Franz Ennser on the World Juice Market gave the forum attendees an excellent global perspective of the beverage market per se and how blackcurrant needed to find its relevance and positioning opportunities within such a vast sector. The overview was at the same time both threatening, enlightening and exciting.

ii. The second presentation, ‘Accessing New Markets – demands, products, and entry strategies’ was by Karen Hamann of IFAU. This presentation gave a perfect balance to Franz’s macro view and profiled niche market operators: showing how opportunities were achieved by micro focus once a macro understanding gave a defined opportunity and purpose.
iii. Bill then explained his paper on the concept of a blackcurrant Awards: this was a project that would be developed over the next 3 months. The purpose of presenting the concept paper at the Forum was to scope a small team that would look at viable options. Forum members were asked to make contact with Bill post-Forum.

c. There was no other General Business

Meeting closed at 5.22pm.

Minutes of meeting Monday 14th May between Svend/Bill/Stan Pluta
Subject: The Polish situation.

To summarise-

1. Blackcurrants is a major industry in Poland
2. In 2011 prices were very high for the grower.
3. 2012 season had a bad weather sequence; this combined with new regulations regarding spraying meant that gall mite and spider mite a problem.
4. The Polish industry very pleased to see that Agrana and Döhler taking an active role in the IBA.
5. A national Polish blackcurrant industry meeting was to be held 29th May: expected 500-600 participants (growers/processors/researchers).
6. For the coming season, for the first time, growers were being offered forward agreements with settled prices.
7. Processors also changing rules on box refunds (a major grower cost)
8. Reason for this change if supply forecast issues: last year only 75-80,000 tonnes (Poland needs to produce 100,000 tonnes.
9. Market allocation estimates:
    a. Distilling alcoholic beverages 5%
    b. Bakery/jams 5%
    c. Blackcurrant juices 70%
    d. Mixed fruit juices 20%
10. The mixed fruit juice category was the most price sensitive and buyers quickly changed formulations to suit the lowest price fruits-berries available.

    The price paid for 'mixed fruit juices' had a negative pull down effect on prices achieved for other allocations.

Meeting Ended.

Minutes of meeting Thursday 17th May between Svend/Robert/Stan/Bill/ and two others members of the Polish team (names to be got)
Subject: The Polish situation and conflicting reports regarding Polish production.

1. Robert explained that the official stats come from a govt organisation (GOS) that is using outmoded models and for example, does allow for replanting but simply adds new planting areas to existing; and also includes estimates of domestic plantings not relevant to commercial production.
2. Svend explained that processors had figures at variance with the Polish growers: so processors estimated high volumes expected and grower organisations estimated low.
3. Stan noted that GOS didn't differentiate between red and black currants.
4. After extensive discussion it was agreed that:
5. Estimating the Polish crop early-mid May not appropriate and the IBA shoudn't accept any estimate at this stage.
6. Svend to attend Polish industry meeting end of May where better assessment or an agreed model for assessment should be developed.
7. Agreed that the IBA wouldn't make any global production assessment until after Svend visited Poland.

Meeting ended.

The Future of Juice
Franz Ennser
Notes taken from Marketing Forum

Full copy of presentation on the IBA website- the following comments noted as Franz gave his presentation: given the importance of his data for IBA decision making these are recorded by strategic planning purposes by the Board and Exec:

1. Agrana not in “yellow fruits” but does fruit juices and aromas.
2. Agrana requires 60,000 tonnes berries
3. Of that 15000 tonnes are blackcurrants (secured from Poland Denmark)
4. Energy drinks are stealing market share from traditional fruit juice products.
5. Fruit Juice products in 3 sub-groups:
    a. 100% fruit juice
    b. <10% fruit juice (aka fruit drinks)
    c. Nectars (10-60% fruit and pulp)
6. The Western European market for fruit juice products is saturated.
7. Eastern Europe Energy and carbonated drinks outgrowing fruit juices.
8. Orange Juice market share has decreased from 2003 -2010.
9. Countries with potential for fruit juices lack buying power.
10. The disastrous 2008 fruit crop in Poland forced manufacturers to develop alternative concepts and saw the emergence of ‘flavored waters’ (water plus aroma): spritzers and the like.
11. Coca Cola has the marketing mass to change market demand with flavored waters.
12. Red Bull sells 4.6 Billion cans per annum
13. Both these companies seriously impacting on conventional fruit juice sales.
14. There is a growing perception that fruit is healthy but fruit juice isn’t: this threatens the category overall.
15. High price volatility of blackcurrant juice is stopping sound investment by marketers:
    a. In 2007 blackcurrant juice €7000 tonne.
    b. In 2011 €9000 tonne.
16. Some major buyers-manufacturers are changing percentage-content to reduce high cost impact on retail prices.
17. Some projections show household juice purchases moved from 10 litres/mth to 5 litres/mth as a result of higher prices.
18. If price too low growers won’t grow: if price too high buyers can’t on-sell and products retail too high and are delisted.
19. In 2012 Agrana expects prices to go down again.
20. Franz: “We have to escape from this “yo-yo””.
21. There is little reliable information about blackcurrant import-export trading as no separate customs classification for blackcurrants and retailers don’t provide access to their data.
22. Quote Franz: “*We need to make a closer link between processors and growers or we won’t compete against the above issues; and high price negatively impacts on us all far more than we expected*.”

ENDS

IBA Board Meeting
Wednesday 15th May: 5.45pm-6.30pm
(Held during the Ceilidh)

Present: Svend, David, Mike, Dirk, Anthony, Franz, Florent, Tom (as translator for Florent)

Item One: Board Introduction

Svend asked each of the Board introduced themselves-

<u>Dirk Herdieckheroff</u>

1. Administrator of a 30 hectare blackcurrant plantation
2. Spokesman for the German Blackcurrant Growers Assoc: 70 members with 600 hectares.

<u>David Eder</u>

1. Owned 400 hectares
3. Supplied Four Leaf Japan on an exclusive basis
4. Supplier Beechams for 40 years
5. Director of Just The Berries NPD-research-marketing company.

<u>Florent Baillard</u>

1. President of the main grower cooperative in France
2. 40 growers/500 hectares
3. Product primarily used for cassis

(Tom Mormentyn – translator for Florent/a technician advisor to the French industry.)

<u>Franz Ennser</u>

1. Austria-based.
2. Managing Director of Agrana: 12 factories in 8 countries.
3. Agrana merging with another and Franz to head both and be responsible for procurement of raw material and production.
4. Processes 20000 tonnes blackcurrants

<u>Anthony Snell</u>

1. 200 acres blackcurrant
2. 100 acres organic blackcurrant
3. Small family business supplies GSK Ribena and also does own IQF frozen for on-line and small retail.
4. Director of Coop Berry Gardens
5. Director of UK Foundation.

Svend Jensen

1. 16 years in industry, first as grower and now head of Danish cooperative.
2. Former President European Blackcurrant Assoc and former Vice President IBA.
3. One of two-man team that developed IBA concept and got it initiated.

Mike Kearney

1. CEO NZ Blackcurrant Cooperative:
    a. Exports Pacific basin
    b. Exclusively blackcurrants
2. Accountant by profession.
3. Director Snapfreeze berryfruit processing company

Bill Floyd

1. Background as marketing strategy consultant to range of NZ and USA grower-industry groups.
2. Engaged by Jim Grierson to assist with 2008 world blackcurrant conference and worked with Jim/Svend to develop IBA concept.
3. General Manager of IBA since inception of organisation.

Item Two: overview of IBA Exec model:

1. Exec consists of President, two Vice President and General Manager
2. General manager contracted to Floyd Marketing Ltd (FML) and only paid position:
    a. FML paid hourly (two rates one for strategy and management; one for admin).
    b. Exec had agreed to a draft plan of activities with time allocations for FML but achieving these dependent on FML securing sponsorship revenues.
3. Exec Skypes monthly.
4. All expenses approved by General Manager but paid by Board bank signatories (at present Jim/David): Bill to reorganize bank account so Mike/Svend signatories with FML doing administration but not having direct access to account.

Item Three : The Strategic Plan: development and focus:

1. Svend wanted the Board members to have specific areas of responsibility:
    a. for example David Japan and Dirk the 2013 Conference.
    b. As the IBA developed its tactics other Board members would get their areas of responsibility.

2. Svend believed the IBA Exec focus and Bill's time had to focus on research and bringing research and marketers together where possible: this wasn't happening at present and research was being 'wasted' in some cases. Mike agreed: "publicity is good but nothing

happens. Brands need to be involved. So the IBA has to decide strategic potential and pick champions."

3. Discussion on Food Fairs:
    a. Franz: "several associations attend food fairs. Agrana attends but usually on the back of some other entity to reduce costs."
    b. Anthony: "the IBA is to be the main body for generic blackcurrant market development."
    c. David: "but everything the IBA does has to have brands there to turn opportunity into sales"
    d. Anthony: "the IBA organises and in such a way brands participate and pay costs.
    e. Agreed that Vital Foods, Anuga, Sial d'or, Biofach all warranted investigation.
    f. Bill explained his background in developing Food Fair presence with shared costs and would develop list of potential events with cost scenarios for Board discussion.

4. Publicity:
    a. Franz: "magazines such as Food News critically important and IBA needs to develop relationships with such media."
    b. Mike: "the IBA can say what brands can't."

5. Global Production 2012 and the Polish situation:
    a. Major discussion on the issue of Polish figures from processors being in dispute with growers: agreed it was vitally important to get it right as it affects long-term pricing and as a result new product development opportunities by major FMCG brands.
    b. Agreed Robert Blocki should be the Polish spokesperson on the IBA Board.
    c. Agreed Svend to attend Polish meetings end of May and advise Board of outcomes
    d. Agreed to defer IBA global production estimate until Polish issues resolved.

Agreed to meet again briefly before end of Conference and discuss.
Board meeting ended 6.30pm.

Board meeting Friday 18th May 10.40am
Attending: Svend/Mike/Florent/Franz/Dirk/David/Anthony/Bill

1. The Polish supply situation:
    a. Svend explained the meeting with the Polish team and issues to do with official stats.
    b. Franz confirmed he wasn't aware of the old system and had thought the official 120,000 tonnes estimate was reliable.
    c. Agreed that Svend will attend Polish events end of May.
    d. Agreed that in the interim IBA would work on assumption of 80,000 tonnes for Polish crop.

2. Conference and publicity:
    a. Anthony commented that he had had very good feedback about Conference from delegates.
    b. Anthony asked that Bill direct IBA Press releases to Anthony for UK Foundation and JHI use.
    c. Agreed IBA should drip-feed media releases to get sustained public profile across a range of different media.
    d. Agreed that publicity alone not enough: we had to find a way of converting talk (publicity) into action (new products/increased sales demand for existing products).

3. Board representation-Poland:
    a. Agreed Poland had to have a representative on the Board
    b. Svend to discuss and decide: general agreement that Robert would be appropriate.

4. Facebook:
    a. Gunner Hagen had offered to develop a Blackcurrant Facebook.
    b. Bill to discuss with him.

5. Food Fairs:
    a. Bill to report back.
    b. Anthony noted that perhaps IBA could work with JHI's research team for some events.

Meeting ended (time not recorded: estimated was 11am.)

MEETINGS NOTES-MINUTES DUNDEE 2012 ENDS.