

CHRISTMAS TREE PROMOTION BOARD BOARD MEETING

Wilsonville, OR
February 22, 2018

MINUTES

Welcome and Roll call – Meeting was called to order at 8:00 am Pacific by Chairperson, Jim Rockis after opening prayer by Jim Heater. Board members in attendance: Rex Korson, Della Deal, Jim Heater, Chris Maciborski, Jim Rockis, Mark Steelhammer, Paul Battaglia, Betty Malone, Jim Corliss, Roger Beyer and Beth Walterscheidt (via telephone). USDA Representative in attendance via telephone: Vickie Carpenter. Staff in attendance: Tim O’Connor and Marsha Gray. Board member unavailable: Bentley Curry

Introduce New Board Members – Tim O’Connor introduced Jim Corliss. Roger Beyer was introduced when he joined the meeting.

Additional Agenda Items – No items were added to the agenda.

Meeting Minutes – It was MOVED and SECONDED to approve the December 20, 2017 meeting minutes as presented. MOTION APPROVED. It was MOVED and SECONDED to approve the October 2017 meeting minutes as presented. MOTION APPROVED

2017 Campaign Recap & Consumer Research - Tim O’Connor reviewed the campaign and new team structure; 30-day planning contracts were signed with both Concept Farm and Fleishman Hillard, the team reported promotional plan to board and it was approved, secured contracts with both teams to prepare materials as early as possible.

O’Connor presented consumer survey results.

John Armato and Gabby Goyette of Fleishman Hillard presented a wrap up of their portion of the 2017 campaign, including press releases, infographic, blogger integration, tree lighting ceremonies, satellite media tour and “The Real” integration.

Griffin Stenger and Sean Biederman of Concept Farm presented a wrap up of their portion of the 2017 campaign, including grower video production, social media reach and Hallmark Channel spot purchase.

2018 Promotional Campaign and Budget – Tim O’Connor recommended a similar planning process for the 2018 campaign as was undertaken in 2017. He recommended keeping the planning team led by staff, including the Promotion Committee Chair, Rex Korson, Concept Farm and Fleishman Hillard. The team would develop a campaign plan in the spring. In order to begin work on the campaign, the current budget would have to be amended to provide \$150,000 to fund pre-campaign work prior to new budget year starting August 1.

It was MOVED and SECONDED to approve \$150,000 to cover pre-campaign work through July, 2017. MOTION approved.

It was MOVED and SECONDED to amend the 2017-18 budget to reflect this adjustment of \$150,000 to the promotion expense line item to cover pre-campaign work through July, 2017. MOTION approved.

It was MOVED and SECONDED to budget \$1.1 million for the 2018 promotional campaign; the aforementioned \$150,000 for planning during the 2017-18 budget year and \$950,000 in the 2018-19 promotional budget. MOTION approved.

USDA Orientation Presentation & Signing of Conflict of Interest Forms - USDA orientation was postponed to a future date. Marsha Gray distributed Lobbying and Conflict of Interest forms for board members to sign.

Staff Reports

Collections and Enforcement – Staff presented the assessment collections reports for the 2017 harvest year reported through 2/16/2018. Staff reported total 2017 assessments paid through 2/22/2018 exceed \$1.4 million. Staff will continue to monitor payments and develop a plan to reach out to non-responding growers to complete the assessment collections for 2017. O'Connor reported that six payers were selected randomly for audit. The auditor has completed one audit and has made contact with the remaining five. Audits currently being scheduled.

Committee Reports

Promotion – Rex Korson reported that he has personally called each of the Promotion Committee members and most will serve again. He is planning a conference call in the next two weeks to update them on the consumer research and then a follow up call for committee input.

Research – Della Deal provided a report on the many research projects being funded by the CTPB. She will be presenting a research update at the Pacific Northwest Christmas Tree Association meeting on Friday. Jim Rockis announced his interest in including a robust research budget for the CTPB in the future. Rockis also suggested that the board have some discussion on how it will handle the possible creation of proprietary information through research projects funded.

Industry Relations – Betty Malone reported that Marsha Gray has participated in or is scheduled to participate in more than 20 state meetings. Marsha Gray distributed a list of meetings where CTPB was represented and she commented on the large number of meetings personally attended by CTPB Chairperson, Jim Rockis. Referendum is expected to take place during the month of May, however USDA has not formally announced this yet. Staff will begin work on the annual report once the audit has been approved by the board and reviewed by USDA. At this point, the annual report will likely be mailed in early to mid-April.

Finance Committee – The draft Independent Auditors Report and Opinion was presented to the board by Propp Christensen Caniglia LLP. Audit will be presented to USDA and a final report sent to the board following USDA review. It was MOVED and SECONDED to approve the Audit as presented with one correction. MOTION APPROVED.

Governance Committee – Marsha Gray reported that in late October Vickie Carpenter had notified staff that the CTPB Policy Book may need changes to be in compliance with USDA guidelines. Gray and Carpenter have reviewed recommended changes and are coming to agreements on how to make

needed changes while limiting the number of changes to the policy book. Staff will present recommended changes to the board at a future meeting.

Staff Reports

Task Force Report – CTPB appointed a Long-Range Planning Task force to identify and recommend a few specific, actionable strategies that can be most impactful to ensuring the real Christmas tree industry survives and thrives for the next generation of producers. The four strategies recommended by the task force were:

Related to Demand Creation & Marketing Reach millennials, especially those with families (defined broadly), and especially with an appeal to the experience and environmental advantages of buying real trees vs. artificial.

Related to Production Research & Innovation Enhance our research initiative by adding committee structure, setting priorities (including innovative product for the next generation) and continually sharing information.

Related to Industry Intelligence & Data Explore the feasibility of collecting more accurate and more comprehensive industry data (e.g., planting and harvest volumes, sales, etc.)

Related to Issues, Crises & Emergency Situations Anticipate and plan for issues that could disrupt our members business.

Voice of the Industry – Over 260 contacts were received by NCTA’s spokesperson during the 2017 Christmas season. The majority of questions were about the “shortage” of Christmas trees, with other questions covering bugs in trees, care for trees, recycling of trees, fire safety and general Christmas tree questions.

NCTA Consumer Survey Report – NCTA surveyed a US demographically and geographically balanced sample of 2086 consumers who reported 20% purchased a real Christmas tree of 5 ft. or taller, 58% displayed an artificial tree and 24% had no Christmas tree in 2017.

Officer Election – The existing slate of CTPB officers were nominated to serve again for 2018. It was MOVED and SECONDED to close nominations and elect the nominated slate unanimously. MOTION APPROVED.

Announcements –

Next conference call scheduled for March, the exact date to be determined.

Next in-person meeting scheduled for July 27/28, 2018 to be held in conjunction with the MACTA meeting in Michigan.

Adjourn

It was MOVED and SECONDED to adjourn the meeting. MOTION APPROVED.

Respectfully Submitted

Marsha Gray for Beth Walterscheidt,
Christmas Tree Promotion Board