



**AFM Board Meeting
Minutes
February 18, 2025**

Place:
AFM Headquarters
Las Colinas, TX

Board of Directors:
(All Present)

Jaime Rivas	
Julio Sahagun	(Vice Chair)
Gary Caloroso	
Rigoberto Pardo	
Peter Shore	(Chair)
Antonio Villaseñor	(Treasurer)
Armando Lopez	(ex-officio)
Ron Campbell	(ex-officio - Secretary)

AMS:
Mathew Collins

Officially Present:

Armando Lopez	Ron Campbell	Julio Sahagun
Dolora Sillman	Joseph Arimany	Stephanie Bazan
Rigoberto Pardo	Ramon Paz	Ilse Magaña
Ana Ambrosi	Steve Klinge	Alfonso Delgado
Alvaro Luque	Miguel Molina	Brad Barker
Stephany Browder	Jesus Flores	Miguel Barcena
Gisela Saenz	Jovanny Martinez	Antonio Ortiz
Gina Widjaja	John McGuigan	Emiliano Escobedo
Jesus Martinez	Carlos Vallerio	

Members and Guests

Sergio Chavez	Pedro Somariba	Dave Billings	Valeria Villasenor
Marco Hernandez	Prescott Martin	Joe Bischoff	Monica Robles
Rosy Garcia	Gahl Crane	Casey Beltran	Elizabeth Ayala
Giovanni Cavaletto	Ileri Villicaña	Aaron Acosta	Diana Flores
Sergio Chavez	Rigo Perez	Kelley Striley	Ernesto Enkerlin
Jean Claude Mercier			

Roll Call and Minutes:

Chairman Peter Shore called the meeting to order, took the roll call, established a quorum and introduced Brad Barker to provide the antitrust policy to the board that is also incorporated into the agenda.

Jaime Rivas motioned to approve the minutes from the May board meeting and the motion was seconded by Julio Sahagun. There was no objection.

Chairman Shore introduced Alvaro and the team to initiate the presentations.

Treasurers Report

- Miguel M. presented the financial statements for AFM for the period ending Jan 31, 2024.
- Cash in Bank:** On February 13, 2025, AFM presented a cash in bank balance of \$7,737,189.
- Contributions:** Total YTD funding is \$106.9K over budget, as we decided to keep MHAIA's analytics position under AFM's payroll and benefits system.
- Spending:**
 - Marketing:** Total spending is under Budget by \$9.9 Million. Marketing Direct drives most of the favorable balance, followed by Marketing Admin. Marketing is decreasing expenses due to a reduced import volume and experiencing employee turnover, leaving some open positions.
 - General Administrative:** Total administrative expenses are under Budget at \$527K. There has been a delay in some Salaries, Wages, Benefits, and operating expenses, and AFM is expecting some cost-avoidance savings.
- Change in Net Assets:** Due to AFM spending at a lower rate than our Budget, AFM Change in net assets presents a favorable \$8.08 million balance.
- Financial Position:**
 - Assets:** AFM presents a \$2.2 Million under-budget Cash and Equivalents balance. This unfavorable balance is due to a lower volume and increased MHAIA receivables.
 - Liabilities and Equity:** AFM lists an increase in Total Equity as AFM spends less than the budget.
- Funding Allocation:** Generally, the funding allocation matches the agreed 2/3 MHAIA and 1/3 APEAM allocation rates. Any difference will be reconciled and adjusted during our year-end review.

Contribution						Spending					
	Actual-YTD Jan 31, 2025	Budget-YTD Jan 31, 2025	\$ Change-Act vs Budget	Actual-YTD Jan31, 2024	\$ Change-Act vs PY		Actual-YTD Jan 31, 2025	Budget-YTD Jan 31, 2025	\$ Change- Act vs Budget	Actual-YTD Jan31, 2024	\$ Change- Act vs PY
MHAIA	\$29,619,000	\$ 29,619,000	\$ -	\$ 28,572,000	\$ 1,047,000	AFM Marketing	\$ 27,008,787	\$ 36,525,189	\$ (9,516,402)	\$ 31,002,850	\$ (3,994,063)
APEAM	\$13,059,500	\$ 13,059,500	\$ -	\$ 12,193,739	\$ 865,761	AFM Marketing Admin	\$ 4,990,716	\$ 5,480,636	\$ (489,920)	\$ 4,288,418	\$ 702,298
MHAIACom/Analytics	\$ 106,275	\$ -	\$ 106,275	\$ -	\$ 106,275	MHAIA Analytics	\$ 106,275	\$ -	\$ 106,275	\$ -	\$ 106,275
Other Income (Interest)	\$ 2,607	\$ 1,995	\$ 612	\$ 2,406	\$ 201	Total Marketing	\$ 32,105,777	\$ 42,005,825	\$ (9,900,048)	\$ 35,291,268	\$ (3,185,491)
Total contribution	\$42,787,382	\$ 42,680,495	\$ 106,887	\$ 40,768,145	\$ 2,019,237	General Admin	\$ 2,596,848	\$ 3,124,266	\$ (527,418)	\$ 2,564,403	\$ 32,446
% Variance			0.3%		5.0%	Total Expenses	\$ 34,702,626	\$ 45,130,091	\$ (10,427,465)	\$ 37,855,671	\$ (3,153,045)
						% Variance			-23.1%		-8.3%
Change in Net Assets						Financial Position					
	Actual-YTD Jan 31, 2025	Budget-YTD Jan 31, 2025	\$ Change-Act vs Budget	Actual-YTD Jan31, 2024	\$ Change-Act vs PY		Actual-YTD Jan 31, 2025	Budget-YTD Jan 31, 2025	\$ Change- Act vs Budget	Actual-YTD Jan31, 2024	\$ Change- Act vs PY
Net Change in Assets-CY	\$ 8,084,756	\$ (7,449,596)	\$ 15,534,352	\$ 2,912,474	\$ 5,622,082	Cash & Cash Equivalents	\$ 8,834,787	\$ 6,641,346	\$ 2,193,440	\$ 4,260,916	\$ 4,573,871
Retained Earnings	\$ 401,221	\$ 410,699	\$ (9,478)	\$ 635,377	\$ (234,156)	Other Assets (AR/FA)	\$ 14,469,745	\$ 5,766,051	\$ 8,703,694	\$ 12,605,973	\$ 1,863,773
Total Equity	\$ 8,485,977	\$ (7,038,897)	\$ 15,524,874	\$ 3,547,851	\$ 5,856,238	Total Assets	\$ 23,304,532	\$ 12,407,397	\$ 10,897,135	\$ 16,866,888	\$ 6,437,644
						Total Liabilities	\$ 14,818,555	\$ 14,436,300	\$ 382,255	\$ 13,319,037	\$ 1,499,518
						Total Equity	\$ 8,485,977	\$ (2,028,903)	\$ 10,514,880	\$ 3,547,851	\$ 4,938,126
						Total Net Assets/Liabilities	\$ 23,304,532	\$ 12,407,397	\$ 10,897,135	\$ 16,866,888	\$ 6,437,644

Accounting and Administration Update

Miguel presented an update on key administrative projects:

Procure to Pay Automation

- AFM has completed its automation project for the Procure to Pay cycle.
- We have integrated modifications to existing Purchase Orders with a connection to SAP and implemented AI data extraction for invoices and contracts, directing them to a SharePoint site.
- The next phase in this cycle involves calculating the department's Key Performance Indicators.

New IT Manage Service Provider

- AFM has engaged Steelbrook Technology Group as a Managed Service Provider to support our IT operations.
- Steelbrook, established by our former IT consultant, possesses comprehensive knowledge of our company and IT infrastructure.
- As a Managed Service Provider, Steelbrook will assist in minimizing company risk by documenting our IT processes, improving our response and resolution times for cases, and providing coverage for AFM's IT manager during vacations.
- The new service represents a minimal budget increase compared to our previous IT consulting service.

New Digital Asset Management Approval Tool

- AssetServ will be discontinued in June 2025.
- Ziflow has been chosen to replace AssetServ for reviewing, proofing, and authorizing digital assets, meeting AMS requirements.
- The new tool offers a modern interface, flexible workflow, and a 73% reduction in license fees, from \$42.5K/year to \$11.5K/year.
- We expect to go live by April or May 2025.

HR

Allison Hamm presented values-focused company professional development plan

Management Development Program

- Senior Manager & Regional Directors
- 5-month program January – June; 1 hour a week on work and assignments
- All participants received a LinkedIn Learning subscription which gives them access to the videos in these lessons and far more.
- HR will send monthly kickoff emails and host 2 check-in conversations to discuss the content
 - Check-in 1: March for Values 1&2 (We Got You & All For One)
 - Check-in 2: June for Value 3,4 & 5 (Innovation That Matters, Smart Performance, & Spark the Good Vibes)
- At the end of the program there is an optional Capstone project, which is a culmination of everything learned and gives them an opportunity to design their own leadership philosophy. This can be completed at their own pace.

One Leadership value will be covered per month.

1. January: Self Leadership through We Got You
2. February: People Leadership through All For One
3. March: Thought Leadership through Innovation That Matters
4. April: Results Leadership through Smart Performance
5. May: Positive Leadership through Spark the Good Vibes

Each Leadership value is broken into smaller topics. Each topic will have the following:

LinkedIn learning module
An article or a TED talk
A self-reflection exercise

Robin Pou Leadership Development & Mentorship Program

- Top Management (Associate Directors and above) & Managers and below
- 6 month program – July through December; 60 –90 minute per week on both meetings and assignments
- The Confident Leader Framework: Vision, Strategy, Identity, Purpose, Execution
- Support Emerging Leaders, Established Leaders, and Top Leaders
- This is a six-month leadership program running June through November
 - Facilitated Cohort Sessions (Week 1)
 - Small Group Sessions (Week 2)
 - Small Group Coaching Sessions (Week 3)
 - 1:1 Coaching Sessions (Week 4)
- Topics include: Emotional IQ, Performance IQ, Leaderships Strengths, Weaknesses and Style. Active Listening, Communication, Creating a leadership Vision, Action Plan and Accountability

Research & Analytics

Alvaro Luque began the section by emphasizing the need for refreshing the foundation of long-term planning because of how the market and consumer needs have evolved over the last several years.

Steve Klingele presented an update on the Demand Landscape project:

- The project will be similar to the one conducted in 2018-2019 to identify, size and prioritize growth opportunities for avocado consumption in the US.
- Additionally, an exercise will be completed to estimate the unconstrained ceiling for avocado demand.
- LEK Consulting was selected to conduct the project, ahead of The Cambridge Group and Deloitte. The primary reasons for selection are the strong experience in agriculture supply chain, foodservice, retail, the avocado industry specifically, and fresh-thinking and agile capabilities.
- The project will begin in March and culminate in FY26, spreading the budget across two fiscal years to limit the impact and expedite results for application in next year's Planning cycle.

Corporate Communications & Crisis

Ana Ambrosi presented the results the announcement of Chef Pati Jinich as Avocados From Mexico's Avocado Culinary Ambassador, as well as a video highlighting the corresponding event at the Mexican Cultural Institute.

She also presented the updated Avocado Institute editorial calendar, aligning to economic win-win and green agenda storytelling strategy, and the new structure of the Avocado Institute website.

Additionally, Ana reviewed the cadence and strategy for the Texas A&M Economic Report, together with a preview of phase two of the communications strategy which will include data from the Texas A&M Economic Report on California and Texas and the Mexican Economic Analysis by Manuel Molano.

Ana continued with a presentation about the industry's sustainability journey an update on:

- Alignment
- Assessment
- Action plan design and implementation
- Communication

She also reviewed the preliminary findings of the TNFD Report that is in progress with Pollination Group. The current scope of work includes the identification and prioritization of the industry's impacts and dependencies on nature and business risks and opportunities, with the purpose of aligning with the strategic framework that is in progress with Innovagro. Ana introduced Ernesto Enkerlin from Innovagro who shared a presentation on their work. Ana then presented the communications strategy for the industry's sustainability vision and commitments, including:

- Messaging and tactics for internal communications
- Stakeholder communications
- Media strategy and outreach
- Content development

She reviewed risk scenarios and issues preparedness and concluded with a timeline for the rollout of the sustainability communications strategy.

Savings Proposal

Alvaro Luque presented the savings proposal that add up to **\$6,611,807**. Alvaro presented the savings scenario by department that included:

- Research & Analytics	\$ 205,000
- Comms & PR	\$ 270,000
- Marketing	\$1,600,000
- Shopper	\$1,649,567
- Trade	\$ 302,000
- Foodservice	\$ 608,100
- Administrative	\$ 938,912
- Reserve	\$ 988,228

Alvaro presented three savings versions based on the budget scenarios for the board to consider:

- a) **Scenario 1: 2.24 billion lbs.** will require savings of \$6,420,000. Considering this scenario, the possible carry-over for FY26 based on savings would be **\$191,807**.
- b) **Scenario 2: 2.25 billion lbs.** will require savings of \$6,420,000. Considering this scenario, the possible carry-over for FY26 based on savings would be **\$451,807**.

- c) **Scenario 3: 2.27 billion lbs.** will require savings of \$6,420,000. Considering this scenario, the possible carry-over for FY26 based on savings would be **\$981,807**.

Market Dynamics Update

Size Impact on Volume

Tiffany Burns presented an update on the impact of sizing on volume and the influence of bagged avocados during fiscal YTD July-January.

- Tiffany showed the history of Mexican avocado import volume by size, revealing 3 of the last 4 years small fruit (60-84) comprised over 50% of the total volume.
- Volume was shown to decline when case pricing spiked. Low supply and high pricing in FY22 led to a decline from the previous year.
- Retail volume was resilient despite the price spikes and shifting sizing with an +8% increase in FY25 over FY22, driven by bagged avocados. Over the last 5 years, bags have increased their share 5pts, from 29% to 34% of Retail volume.
- AFM played a role in the growth of bags with thematic bags more than doubling FY22 to FY25 (14.6MM to 33.2MM). This included selling in programs with big volume movers like Walmart, Costco and Aldi.
- Mass and Club's continued success out of COVID has lessened Grocery's priority when it comes to large fruit. Grocery has responded by offering smaller fruit through bags, including retailers that traditionally deemphasized bags, like Whole Foods.
- The shift in supply has led to the need to further accelerate units to achieve the LB volume goals and, that if the same LB volume as FY24 was available this year, it would be a record-setting year for units.

Alvaro explained that retailers don't have the mentality to switch from large to small and they insist on large therefore it is driving up price especially for the demand on large fruit. He also explained that our biggest opportunity is to communicate the market conditions and supply to the industry and retailers. Why? Because retailers work months in advance to set up promotions and do better planning.

Alvaro also stated that the opportunity is to focus on bulk and we need to think about pursuing a new PLU to separate 60's from other sizes. Peter Shore from Calavo stated that we need consensus from importer and retailer community.

OND

Tiffany continued, presenting the results of OND.

- In FY25, the share of large fruit in November and December deviated from prior years and pricing also was highest in the last two years. This year, Mexico also faced increased competitor pressure, leading to a decline of 6pts of volume share.
- Retail volume for OND showed an increase of +10% and was coupled with goal-exceeding sell-in of Susan G. Komen bags and bins.
- Steve Klingele presented shopper data showing the SGK program increased unit sales among participating accounts, and that partnership with SGK has a positive impact on consumers' perception of AFM.
- Tiffany showed Costco was a major contributor to October volume, drawing share from Kroger and Albertsons.

- December also grew vs. last year due in part to the growing connection with CFB but at a slower rate than October and November with supply limitations and historic pricing.
- Steve showed how AFM's CFB program increased brand awareness and preference for AFM. It also created a lift in past-month avocado purchasing and limited the declined in units purchased on last trip. Consumption among past week CFB viewers also increased in December through the playoffs.
- Tiffany continued with bin sell-in exceeding sell-in goal and bags reaching 96% of goal.
- AFM's TPD Education program in Costco showed excellent results in driving volume in a key account.
- Despite the marketing efforts, retailer advertising support declined in OND, especially in December. High prices and uncertainty about supply may have influenced retailers to pull back on their normal support.
- Demand for New Year's Eve and New Year's Day (CFP viewing) increased but harvest and shipments declined.

Final Thoughts

- Alvaro wrapped up the section reinforcing that demand remains strong, OND/NYE and SGK/CFB programs are working, Mass and Club are growing contributors and bags are moving the small fruit. Despite this, retailers and foodservice operators have lost confidence and are not supporting with advertising and are diversifying their supply because the inconsistency of Mexican supply, competitive pricing and lack of communication.

Marketing Update

Tentpoles

OND

Jovanny Martinez presented the paid media calendar and showcased that AFM's presence in college football was bigger than ever with partnerships on ESPN College Football, SEC Espn Network, Fox and University of Georgia. The total campaign on these networks resulted in 298 spots aired, 281 promotional mentions, 69.8 total linear impression, \$4.05M delivered linear \$, +1PP in unaided awareness and +2PP average brand perception lift points.



He also conveyed that after two seasons of marketing, a quarter of CFP fans associate AFM with the sport and that our association in the South Atlantic region has increased from 20% to 26% in the post championship season from Jan 2024 to Jan 2025. Overall, our OND campaign surpassed our combined goals by 50% resulting in 238MM impression and 12.3MM video views as presented by Kyle Knox in the digital update. Gisela Saenz then presented a recap of

our Avo Fans activation that took place Nov 29th on the UG vs GT game that aired on ABC and ESPN. The activation results in 6.2MM impression and 1.29MM video views. Stephanie Bazan reviewed the CFP shopper marketing campaign featuring the various media to shelf elements and highlighted that the campaign resulted in 43.2EQ displays and 3.3MM AFM branded thematic bags. She also highlighted the results of the HEB CFP in-store program as well as the CFP efforts in Walmart which featured elements such as ibotta cash, a partnership with GenesisX, a pre-shop engagement tactic as well as e-com and rollback support. She also presented the US Foods College Football Incentive contest which was the first AFM OND branding initiative in a foodservice promotion focused on small fruit. The program resulted in 37% case growth, outpacing the 15% benchmark.

SUPER BOWL

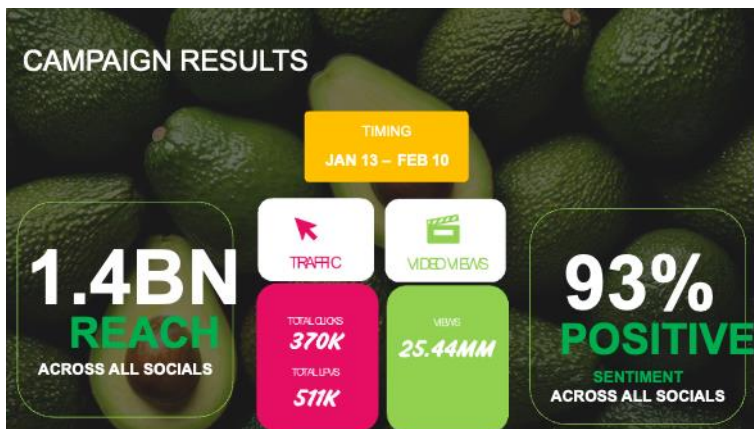
Tiffany Burns presented the Super Bowl Market Update highlighting that this was the largest Super Bowl ever in terms of volume and dollars driven by both bag and bulk, but faster growth on bags (+18% vs. 2022). Branded bags nearly tripled the number of branded assets in the market and were 273% to goal. She highlighted the small fruit majority (60-84) and that case pricing was up for all sizes (average of +84%) vs. last year. Shipments not meeting demand was presented as well as harvests and shipments decline -8% and retail lifts +5% since FY23. As a result the number of stores advertising declined -44% from LY – the lowest on record. Stephanie Bazan presented the Shopper Super Bowl program with Rob Gronkowski that ran January 7-February 9th and consisted of in-store displays, thematic packaging with an on-pack offer, digital and social support, retailer digital toolkit and savings via QR code on bins. 5.4MM bags were ordered – the largest thematic packaging order ever – including 3.4MM custom Walmart bags offered for the first time. This constituted the second largest Super Bowl sell-in in AFM history, with 104K EQ bins sold-in. Big Game merchandising photos were shown across a variety of customers.

Stephanie also presented a Food Service Gronk pack update which leaned into the flexibility of all avocado sizes. The program is live through February 20th and is a DC promotion offering a sales incentive on flex pack (48-70 ct sizing). 10 Sales Reps that generate the highest fresh whole avocados sales lifts vs. prior year will win signed footballs.

Gisela Saenz presented the Marketing Super Bowl Campaign leaning into something that had never been done before and combining it with Gronk's unique personality. The concept was centered around "How Much Guac Will a Gronk Gronk Guac?" which was brought to life with a live variety-type entertaining show with several vignettes that featured Gronk making his way through a bowl of guacamole. The campaign was a full 360 campaign with a consistent look and feel across all assets from in-store to announcement and teasers, to the Guac Line, the Live Challenge, exclusive prizing/drops, Game Day social conversations, website and PR. All departments were in lock-step with this program as shown in the Go To Market Plan across departments. The Gronk announcement sparked interest from fans and delivered 1.1MM video views and 16.7MM impressions. Teasers continued to pique interest with sneak peaks of the vignettes and delivered 4MM video views with 21.5MM impressions. Additionally, The Guac Line engaged users for over 1,500 hours by leaning into the innovative DNA of AFM and AI, with the help of Gronk. This experience featured a personalized 1:1 video call between consumers and Gronk and delivered a unique recipe at the end. The results highlighted were 916K landing page visits (+58% vs. last year), 76% engagement rate (+8% vs. last year) and a 6:42 average session duration (+50% vs. last year).

Kyle Knox continued the Marketing Super Bowl Campaign presentation highlighting the Guac Line promotion that drove massive engagement and leveraged an influencer that highlighted the Guac Line experience and one of the key recipes and delivered 881.7K clicks to site and a 3.13% click through rate. The Live Event engaged fans like never before, as our first time leaning into this consumer behavior and had a 7.5% engagement rate (+66% vs. Organic

benchmarks). From the Live Event several cut-downs were created to extend into more assets – three videos were shown – and delivered 144.8MM impressions, 19.9MM video views and a 51% view through rate. Drops were also featured to drive excitement across social – Guac Pack, the book from Gronk's Story Time, a guac helmet, jersey and the pit from Pit Pong. This resulted in 44.2MM impressions, 390.6K video views, 1.5K entries. This was all featured on the hub website page that delivered 1.09MM landing page views with a 74% engagement rate, 6:30 time on site (+52% vs. last year), 1.69 pages per session and 15K Guac Line clicks. The overall results culminated in 1.4B reach across all social media, 370K total clicks, 511K total landing page views, 25.4MM views and 93% positive sentiment across all social.



Ana Ambrosi presented the PR update and started with the choreography from October through the Gronk Pack launch with the goal of keeping guac top of mind throughout the period. The Shopper Announcement resulted in 241.5 MM impressions and 14 tier one placements. The Behind-the-Scenes teaser launched on December 11th and seeded the BTS Gronk content during the round up conversations of which brands were advertising during the SB. The Guac Line announcement followed on January 15th and results in exclusive interviews with Fast Co and AdAge to drop the news and delivered 465.2MM impressions, 8 Tier 1 placements, 4 interviews with Alvaro and 250K visits to the Guac Line launch day prior to paid support. Recipe inspiration followed on January 22nd vis the MAT Release, which exceeded goals by +40% and delivered over 1,300 placements and 490+MM impressions. Gronk Media Day also dropped on January 22nd and featured the Guac Pack around the Gronkamole Challenge narrative. This resulted in over 935+MM impressions, 5 interviews and 1,500 entries for the coveted Guac Pack. Altogether, this helped unlock top media outlets eagers to eat up Gronk news and drove AFM to exceed our goal through storytelling with 3.5B impressions (+17.6% above goal), 34 placements and 58 headlines and feature stories.

CINCO

Jovanny Martinez presented a project overview of the Cinco Strategy, which was led in partnership with 72 and Sunny over a few months from discovery through to a territory workshop and testing and culminated in the opportunity to make Cinco an exciting, approachable, food-first holiday with guac as the star. Three territories were tested, one centered on Community, one around a Feast and the last on Ritual. Although all tested well, the winning territory was Feast – “It’s Not a Bender. It’s a Feast.” – which pivots the focus from beverages to guac as the star. Guac Makes the Fiesta was unveiled as the new tagline, with key visuals shared. Media will focus on awareness and heavy up on video so that we can communicate our new strategy. The campaign will be live April 14-May 5 with Impressions and Video Views as the KPIs and planned media impressions of 193.2MM and Video Views of 19.9MM targeting our Adventurous and Healthy, Indulgent Home Chefs and Cultural Avocado audiences.

Dianne Le presented the Shopper plans around Guac Makes the Fiesta, which includes in-store displays, thematic bags with on-pack offers, recipe content, retailer toolkits and POS signage and will be in stores from April-May 5th. The Bins goal is 54 EQ with a 96% to the goal year to date. Additionally, there will be a Kroger Latin Flavors exclusive including thematic bags (500K confirmed), targeted digital coupons and on-site ads, POS signage and in-store events. 600 Displays have been sold in with 5.4K EQ vs. the historical benchmark of 4K EQ.

Education

Gisela Saenz presented our new Always Good To Know digital assets that are focused on key education facts. She relayed that the creative surpassed traffic goals by 58% and that the website performance resulted in 3.5X higher page views compared to the benchmark. She also presented the details around the Always Good To know education Gameshow that featured 20 unique videos that ran on Meta, Tik Tock, YouTube and Organic. She also shared the Man on the Street Videos focused on the various education.

Stephanie Bazan presented the in-store education focused radio campaign resulting in 25.3MM impressions in Kroger, AHOLD and Albertsons. She also highlighted the upcoming in-store education support in Walmart including elements such as shelf check out screens, channel strips, packaging and e-comm support. Additional support is also being deployed to Stop & Shop with Education displays and 1MM education bags in Costco, 1MM in Aldis and 100k+ in Food Lion. On the Foodservice front, Stephanie communicated that there were several Avo U events coming up in the AFM Avo Lab including SaladWorks, PFG, Barberitos and First Watch. She also announced that AFM recently developed and launched an avo yield calculator that accepts user inputs for various avocado sizes and generates outputs-based quantity and avocado yields for operator recipes. This resource can be accessed on avocalculator.com

Health & Wellness

Kyle Knox presented the AHA Red Wave update, which launched on January 13th in collaboration with the AHA and our Super Good campaign. The campaign features the key message of “Good Fats Meet Great Taste” and showcase digital assets with family and recipe imagery to showcase the emotional appeal along with the taste appeal of avocados. He also shared how the website was been optimized to incorporate the AHA partnership – highlighting the red color and the Healthy for Good logo, with AHA approved Heart Healthy recipes featured on the site.

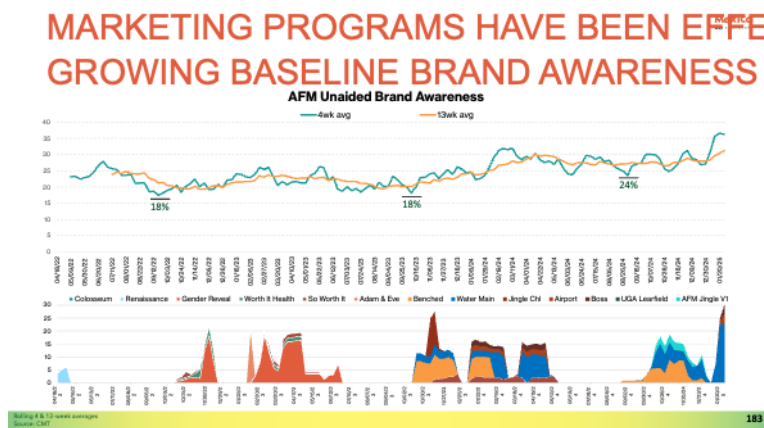
Dianne Le covered the Shopper AHA update by unveiling the vision of the shared goal with Kroger – to empower better health. Key facts were shared such as 50% of US adults having some form of heart disease, 84% of consumers prioritize health and wellness when buying fresh food, despite inflation, and that 65% of consumers are dissatisfied with healthy eating support they receive from traditional healthcare. Dianne then shared the 360 degree program from Media to Shelf, in-store from February 1st through to April 1st and goes from Pre-shop H+W influencer content, to E-Comm and retail media and Kroger.com, to Thematic displays and bags in-store.

Marketing

Gisela Saenz presented the Brand GM update with the continued objective of highlighting the trifecta of good taste, health and fun to build the Always Good brand awareness. The media plan was reshared to highlight the focus in the first half and the shift to now lean into the Media KPIs of media effectiveness via Disquo for Brand Lift metrics, along with a balance in Reach

and Frequency metrics. CTV was highlighted as delivering 30% of the goal YTD, and the focus shifting from Benched in the fall to Water Main in the spring with a total of 247MM planned impressions. Audio was also highlighted as a mix of the prior Airport and Boss :30 assets and the new 5 second jingle that combines the tagline for the first time ever. This tactic has delivered 43% of the goal YTD, and will shift from the 5 sec jingle focus in the fall to now leaning back in Airport and Boss for the spring.

Kyle Knox then presented the Digital strategy update for the two phases of Good – the foundational first wave with SEM/SEO and Display, and the second wave with Always Good Shorts that leveraged a local comedy group to create social, armchair entertaining videos that extend the current campaign. Phase 1 has delivered 129.6MM impressions to date (43% to goal) and Phase 2 will have a total of 14 videos that will be live from November through April and has delivered 9.8MM video views so far. Stakeout, Metal Band and Passport creative was shared along with key performance of the website which has led to higher rates (65% vs 56% last year), more time on site (3:17 vs. 2:11 last year) and more pages per session (1.68 vs. 1.12 last year) vs. last year. Lastly, Kyle highlighted that Marketing has been effective at continuing to grow the brand awareness of AFM with sustained averages of 24% vs. 18% the prior months.



Gisela Saenz then presented the HM Campaign update with a reminder of the key insight that came from consumer research around the difficulty biculturals have in honoring their cultural authenticity through food with promoting nutritious choices, due to health concerns that are impacting them in the US. Essentially it is the need to have both heritage and health, which only AFM can provide. She shared the new creative :30 spot “Manten Vivo el Corazon Latino” along with several :15 and :06s cutdowns. She highlighted that the campaign was extended across digital and social, with a consistent look and feel and messaging around “Ponle Corazon a Tus Comidas” – addressing both heart health and emotional heart. She ended with an overview of the website performance that showed stronger results as compared to last year – namely, 53K pages per session vs. 32K last year, 47% engagement rate vs. 35% last year and 4:49 average session duration vs. 1:47 last year.

Ron asked about the reason we use ‘Avocados From Mexico’ Jingle in English for the Hispanic Campaign instead of ‘Aguacates de Mexico’. Alvaro addressed point explaining that that was a decision made a few years back in order to keep consistency and help positioning AFM as a Brand, beyond Country of origin.

Shopper & Trade

Alfonso Delgado presented the February to March Commercial line up of promotions including 5.5 million coupons + ad support, a Super Bowl program and programming post Super Bowl

SPRING PROMOTIONAL LINE UP

AvocaDOS - Mexico
CINCO MARCH GOOD

FEBRUARY TO MARCH 2025

5.5 MILLION COUPONS + AD SUPPORT

SUPER BOWL

POST SUPER BOWL

POWER ACCOUNT NON-LOYALTY PROMOTIONS

Additionally, he highlighted all of the programming support directed at power accounts including Aldi (1MM bags), Costco (1MM bags/Quick & Easy video), Kroger (AHA bins/bags and ecomm), Sam's Club (demos with partner), Albertsons (National Stock up Sale), Walmart (Big Game Bag + AFM Rollback in March), Publix (AFM Loyalty program with Arnold Bread) and Whole Foods (Hero promotion featuring signage, audio, feature display). He also conveyed all of the key Tier 2 promotions in Target, Meijer, Shoprite, Jewel, Price Chopper, Winn Dixie and Giant Eagle.

He also outlined the Commercial promotional line up for April to June that includes 8.6MM coupons and ad support plus a Cinco national shopper marketing program.

SPRING PROMOTIONAL LINE UP

AvocaDOS - Mexico
CINCO MARCH GOOD

APRIL TO JUNE 2025

8.6 MILLION COUPONS + AD SUPPORT

CINCO

POWER ACCOUNT NON-LOYALTY PROMOTIONS

He also covered all of the Power Account programming from April to June including Walmart (Cinco/Education bags with \$1.50 rebate savings), AHOLD (circular and offer), Albertsons (bag promo and displays) and Kroger (Cinco Latin Flavors support). Additionally, he highlighted promotions in Tier 2 accounts such as BJ's, Meijer, Shoprite, Jewel, Shaws, Safeway, Acme, United, Stater Bros, Target and Winn Dixie.

Dianne Le presented our partnership with Arnold Bread focused on Avo Toast which features a consumer savings offer and shelf tag in the bread aisle. She also conveyed that YTD AFM is projecting to circulate 53MM coupons with 29MM coupons to be circulated from Jan to June. She communicated that the partnership with the LA Galaxy has been leveraged to develop a shopper marketing campaign for Superior featuring LA Galaxy themed bins and for the Lenten season, AFM will be deploying 1200 displays and \$1 cash back offer from March 5-April 15th including Vallarta, Food 4 Less, Northgate, Sedanos, Food City and Bashas. In terms of merchandising innovation, several custom displays and resources have been developed for

HEB and Sprouts and the new end-cap solution kits for bags and bulk will be deployed for testing in Giant Eagle and Grocery Outlet.

Stephanie Bazan discussed the importance of branding at point of sale and the need to reinvigorate the branded sticker for the upcoming summer season to help reinforce Mexico's quality.

Alfonso Delgado explained the history of our share during the summer season has increased since 2022 and was flat vs prior year (2023). He also explained the considerations to optimize summer including the need for more information around the supply and size of fruit that should be expected for Summer 2025. He also recommended that AFM will consider a strategic moderate investment during Summer 2025 to allow for a stronger effort to reactivate the market in September.

Alvaro asked about the volume forecast for the summer and asked for a consensus around whether we invest in summer or not given that the negotiations with retailers need to commence asap.

Foodservice

Curt Webber presented the Foodservice update and discussed the overall outcome from the Dec 2025 Made In Mexico tour with operators including 4 confirmed LTO promotions, a RIPE session with Zaxbys and active conversations with Sodexo, Honey Baked Ham and Tim Hortons. He also provided an overview of the broker blitz program that is taking place in the Southeast with 75 in person calls through the Axcion broker team. The broker team is focused on handheld accounts.

Curt provided an update around our upcoming LTO programs including Which Wich who will launch an AvoWich in April with a supporting PR & Comms plan. He also presented LTOs for Fuzzys, Another Broken Egg, R&R Sushi, On The Border, Jason's Deli, Modern Market, Del Taco and Salad AndGo. He also explained that Saladworks, Barberitos, and Qdoba are LTO's currently in negotiation. First Watch, a breakfast chain with 600+ outlets with future projected 2k outlets is interested in a Made in Mexico tour in April. He also presented the lineup of promotions for the Non-Commercial segment with clients such as PFG, Sysco, US Foods, Worldwide Produce, Baldor and La Grasso. Stephanie Bazan followed up with an update on Guac Heaven concept and announced that AFM will be returning to National Restaurant Association show in May in Chicago. She also shared details around the concept and overview of the booth.

New Business:

There being no additional new business Jaime Rivas motioned to adjourn. The motion was seconded by Gary Caloroso. There was no objection.

I certify that the above is a true and accurate statement of the September 24, 2024 AFM Board of Directors Meeting.

Respectfully Submitted

Ron Campbell
Secretary, AFM