



Mexican Hass Avocado Importers Association
Board Meeting Minutes
February 23, 2023

Place: AFM Headquarters Dallas, TX

Time: 1:00 PM – 5:00 PM CDT

Board of Directors 2023:

Growers / Packers		Term Expires
Jaime Rivas Jr. (Treasurer)	Director	2023
Augustin del Rio	Alt	2023
Ivan Alejandro Oseguera Quintero	Director	2023
Jesus Domingo Calderon	Alt	2023
Ricardo Vega Perez	Director	2024
Antonio Villasenor Zurita	Alt	2024
Antonio Ortiz Gonzalez (Vice Chair)	Director	2024
Juan Pablo Figueroa Cejudo	Alt	2024

Importers		Term Expires
Gary Caloroso (Chair)	Director	2023
John Dmytriw	Alt	2023
Aaron Acosta	Director	2023
Peter Shore	Alt	2023
Jon Ullrich (Secretary)	Director	2024
Elizabeth Ayala	Alt	2024
Jacqueline Solares	Director	2024
Gwen Jackimek	Alt	2024

AMS: _____

Katie Cook
 Mathew Collins
 George Webster

Officially Present: _____

Jose Luis Gallardo
 Dolora Sillman
 Ilse Manaña
 Ron Campbell
 Alvaro Luque
 Casey Beltran

Armando Lopez
 Stephanie Bazan
 Ivonne Kinser
 Miguel Barcena
 Kevin Brosch
 Stephany Browder

David Ruiz
 Miguel Molina
 Ana Ambrosi
 Steve Klinge
 Brad Barker

Members

Carlos Genel	Dave Billings	Ileri Villicana Guillen	Joe Nava
Jose Prado	Monica Robles	Gabriel Villaseñor	George Henderson
Joaquin Urias	Gina Widjaja	Jorge Fernandez	Marco Hernandez

Guests: _____

Nikki Ford Emiliano Escobedo John McGuigan Arjun Chahravarti



Meeting Convenes:

Chairman Gary Caloroso called the MHAIA meeting to order, took the roll call and established a quorum.

After establishing a quorum, Brad Barker read the antitrust policy that was also distributed to the participants as part of the agenda.

Chairman Caloroso asked the group if there should be any changes or amendments to the minutes. Jon Ulrich motioned to approve the minutes which was seconded by Jaime Rivas. The motion passed without objection.

Crop Report:

Dolora Sillman presented the new MHAIA Crop Projection for the remaining FY22-23. The APEAM crop report was still pending at this time. The Crop corresponded to the 2nd Stage report regarding “Normal and Black Fruit” and was executed between January 6 to January 27, 2022. The data used from APEAM corresponded to the 1st Stage “Aventajada – Marcena” report and using actual harvest and shipment values up to February 12 to standardize the data of both reports.

Crop Balance- 2nd Stage (Black Fruit)

MHAIA 2022-2023 (Black Fruit)

- January 27,2023 Quarterly report-Black Fruit Balance
- Samples within 158.978K hectares or 392.842K acres, in 52K orchards across the Michoacan region of Mexico
- Compared to last FY 22, 4% inc. in hectares, 6.11% inc. orchards and 1.19% in Volume at Mid-Level

	Surface		Volume (low)		Volume (Mid)		Volume (upper)	
	Hectares	Huertos	Tons	Pounds	Tons	Pounds	Tons	Pounds
2022	152,864	49,004	613,230	1,351,941,034	649,169	1,431,171,602	685,107	1,510,402,169
2023	158,978	52,000	615,134	1,356,138,900	656,884	1,448,181,743	698,634	1,540,224,586
Difference	6,114	2,996	1,904	4,197,866	7,716	17,010,141	13,527	29,822,416
%	4.00%	6.11%	0.31%	0.31%	1.19%	1.19%	1.97%	1.97%

As of Feb 12, 2023-adjusted volume 599,021 tons



Surface and Yield per Municipalities

- Total surface: 24 Municipalities or 158.98K hectares, 5 largest municipalities represents 55.29%, 7 municipalities represents 28.73% and 12 municipalities represents 16% of the total surface.
- Total Yield: 4.13 tons/ave. per HA or a decrease of .12%. Tancitaro decreased by 1.14% and Ario de Rosales increased by 1.14%.
- Total Production: 656,884 tons (1,448,181,701 lbs.) at mid level. Increase of 7.7 tons (due to surface Fav 25.9 tons; due to yield Unfav. 18.2tons)

	MUNICIPALITIES	Hectares		% OF TOTAL		2022 YIELD		2023 YIELD		Difference Yield/Tons
		Hectares 2022	2023	2022	2023	%	%	(tons)	(tons)	
1	TANCÍTARO	24,497	24,827	16.0%	15.6%	5.01	3.87	122,720	95,994	(26,726)
2	ARIO DE ROSALES	17,632	17,877	11.5%	11.2%	3.30	4.44	58,271	79,426	21,155
3	URUAPAN	16,505	16,981	10.8%	10.7%	5.30	4.31	87,488	73,132	(14,356)
4	SALVADOR ESCALA	15,372	15,631	10.1%	9.8%	4.20	4.45	64,543	69,487	4,944
5	TACÁMBARO	11,827	12,578	7.7%	7.9%	3.67	4.75	43,390	59,724	16,334
6	PERIBÁN-CHARAPA	9,382	9,806	6.1%	6.2%	4.06	4.02	38,095	39,429	1,333
7	LOS REYES	7,636	8,025	5.0%	5.0%	5.20	4.26	39,679	34,177	(5,502)
8	NUEVO PARANGARÍ	6,812	6,951	4.5%	4.4%	4.65	5.01	31,683	34,814	3,132
9	TINGÜINDÍN-TOCU	5,754	5,919	3.8%	3.7%	3.42	4.91	19,659	29,067	9,408
10	TURICATO	5,211	5,361	3.4%	3.4%	4.15	5.55	21,601	29,779	8,178
11	PUREPERO-ZACAPULCÁN	3,932	4,873	2.6%	3.1%	2.78	2.01	10,946	9,781	(1,164)
12	ZIRACUARETIRO	4,543	4,737	3.0%	3.0%	2.89	2.01	13,114	9,510	(3,605)
13	Others (12M)	23,761	25,413	15.5%	16.0%	4.12	3.64	97,978	92,564	(5,414)
	TOTAL	152,864	158,978	100.0%	100.0%	4.25	4.13	649,169	656,884	7,716
	<i>Difference</i>		<i>6,114</i>				<i>(0.11)</i>		<i>7,716</i>	
	<i>%</i>		<i>4.00%</i>				<i>-2.70%</i>		<i>1.19%</i>	

The new estimated harvest is 2.945B pounds at mid-level of which 2.6B pounds are from Michoacan and 261.92M pounds from Jalisco. Total shipment is estimated to have reached 2.46B pounds or 83.44% of the total harvest (2.26B Michoacán and 196.44 Jalisco).



Volume projections

Tons

May 2022-Original Budget-Version

	Estimate 2022-2023					
	Low		Mid		High	
	Harvest	Shipment	Harvest	Shipment	Harvest	Shipment
Michoacan	1,235,637	1,041,242	1,330,072	1,120,820	1,424,507	1,200,399
Jalisco	53,828	45,359	80,741	68,039	94,952	80,014
TOTAL	1,289,464	1,086,601	1,410,813	1,188,859	1,519,459	1,280,412
Shipment % Mich.	84.27%		84.27%		84.27%	
Shipment % Jalisco	84.27%		84.27%		84.27%	
Mich % to Total	95.83%	95.83%	94.28%	94.28%	93.75%	93.75%
Jalisco % to Total	4.17%	4.17%	5.72%	5.72%	6.25%	6.25%

Pounds

Estimate 2022-2023					
Low		Mid		High	
Harvest	Shipment	Harvest	Shipment	Harvest	Shipment
2,724,112,874	2,295,545,747	2,932,306,646	2,470,985,735	3,140,500,418	2,646,425,722
118,669,509	100,000,000	178,004,264	150,000,000	209,333,014	176,400,000
2,842,782,383	2,395,545,747	3,110,310,910	2,620,985,735	3,349,833,432	2,822,825,721

September 2022-Version

	Estimate 2022-2023					
	Low		Mid		High	
	Harvest	Shipment	Harvest	Shipment	Harvest	Shipment
Michoacan	1,178,372	992,987	1,273,349	1,073,021	1,368,327	1,153,057
Jalisco	94,020	63,213	110,376	77,121	126,029	91,027
TOTAL	1,272,392	1,056,200	1,383,725	1,150,142	1,494,356	1,244,083
Shipment % Mich.	84.27%		84.27%		84.27%	
Shipment % Jalisco	67.23%		69.87%		72.23%	
Mich % to Total	92.61%	94.02%	92.02%	93.29%	91.57%	92.68%
Jalisco % to Total	7.39%	5.98%	7.98%	6.71%	8.43%	7.32%
Inc (Dec) in Tons			(27,088.606)	(38,717.455)		
% inc /(dec)			-1.9%	-3.3%		

Estimate 2022-2023					
Low		Mid		High	
Harvest	Shipment	Harvest	Shipment	Harvest	Shipment
2,597,866,282	2,189,160,718	2,807,253,901	2,365,606,732	3,016,643,725	2,542,054,604
207,278,682	139,361,665	243,336,855	170,021,625	277,846,536	200,679,795
2,805,144,963	2,328,522,383	3,050,590,756	2,535,628,357	3,294,490,261	2,742,734,400

(59,720,153.789) (85,357,377.096)

-1.9% -3.3%

February 2023 -Version

	Estimate 2022-2023					
	Low		Mid		High	
	Harvest	Shipment	Harvest	Shipment	Harvest	Shipment
Michoacan	1,126,283	949,092	1,217,062	1,025,588	1,307,840	1,102,085
Jalisco	101,353	77,028	118,804	89,103	135,469	102,956
TOTAL	1,227,636	1,026,120	1,335,865	1,114,691	1,443,309	1,205,041
Shipment % Mich.	84.27%		84.27%		84.27%	
Shipment % Jalisco	76.00%		75.00%		76.00%	
Mich % to Total	91.74%	92.49%	91.11%	92.01%	90.61%	91.46%
Jalisco % to Total	8.26%	7.51%	8.89%	7.99%	9.39%	8.54%
Inc (Dec) vs Sep 22 Est			(47,859.492)	(35,450.639)		
% inc /(dec)			-3.5%	-3.1%		

Estimate 2022-2023					
Low		Mid		High	
Harvest	Shipment	Harvest	Shipment	Harvest	Shipment
2,483,029,804	2,092,389,081	2,683,161,621	2,261,035,316	2,883,293,439	2,429,681,551
223,444,764	169,818,020	261,917,016	196,437,762	298,658,110	226,980,164
2,706,474,568	2,262,207,101	2,945,078,637	2,457,473,078	3,181,951,548	2,656,661,715

(105,512,118.887) (78,155,279.816)

-3.5% -3.1%



Treasurers Report

Cash in Bank Balances and Collateralization:

- Total consolidated cash balances as of February 19, 2023 are \$17.32M, \$4.86M from MHAIA and \$12.46M from AFM.

Cash Balances

February 19, 2023	MHAIA	AFM	Total
Balances			
AFM-EX MM Acct		\$1,194,904	\$1,194,904
Citizens Business Bank-MHAIA MMKT	\$4,858,863 ¹	\$4,326,897 ²	\$9,185,761
Citizens Business Bank-APEAM MMKT		\$6,612,127 ³	\$6,612,127
Citizens Business Bank-Optg.	\$1,000	\$322,177	\$323,177
Petty Cash		\$2,500	\$2,500
Total	\$ 4,859,863	\$ 12,458,605	\$ 17,318,468

Notes:

- MHAIA- MMKT Balance as of February 19, 2023 of \$4.86M does not include the January 2023 estimated assessment of \$5.2M or 244.71M pounds net.
- AFM MHAIA MM does not include the January 2023 inter company payable from MHAIA of \$4.58M
- AFM APEAM MM -up to date as of February 2023

- The total funds deposited as of were fully collateralized at \$37.38M as compared to the deposit of \$18.86M.

Collateralization

Mexican Hass Avocado Importers Association
(Board or Council)
Report of funds deposited or invested with financial
institutions, brokers, or investment services companies.

For the Period ended 1/31/23

Name & Address of Financial Institution, Broker, or Investment Services Company	ABA No.	Type of Account	Amount Currently Deposited- 01/31/23	Collateral Pledged 01/31/23	Maturity Date of Collateral Pledged	Location of FRB* Holding Collateral
MHAIA						
Citizens Business Bank	122234146	Collateral Holdings-V546 USDA Mexican Hass Avocado Importers Asociation	\$ 3,225,978	\$ 3,225,978	3132KE3K9-382/9/10/0	National Book Entry-NBE
			\$ 4,724,508	\$ 4,724,508	3133KY3EO-352/11/01/2039	National Book Entry-NBE
			\$ 1,729,417	\$ 1,729,417	31340Y4K9-352/11/01/2049	National Book Entry-NBE
			\$ 487,791	\$ 487,791	3130AR5A58-351/5/25/30	National Book Entry-NBE
			\$ 1,085,317	\$ 1,085,317	3138E23B5-352/01/01/2027	National Book Entry-NBE
			\$ 1,251,759	\$ 1,251,759	3138BB7E7-352/03/01/2027	National Book Entry-NBE
Citizens Business Bank	250464398	Premium Money Market Gov Serv	\$ 8,152,839			
Citizens Business Bank	250464371	Analyzed Government Operating Account	\$ 1,000			
TOTAL MHAIA Bank Balances -01/31/2023			\$ 8,153,839	\$ 17,736,208		218%
AFM Subsidiary of MHAIA						
Citizens Business Bank	122234146	Collateral Holdings-V547 USDA Avocadoes From Mexico	\$ 9,316,600	\$ 9,316,600	3132D56N8-352-0701/2035	National Book Entry-NBE
			\$ 2,196,679	\$ 2,196,679	31374CPL4-352-12/1/2027	National Book Entry-NBE
			\$ 358,202	\$ 358,202	3137A75CO-351/01/18/41	National Book Entry-NBE
			\$ 1,070,052	\$ 1,070,052	3137A4H43-351/11/15/2026	National Book Entry-NBE
			\$ 1,960,522	\$ 1,960,522	3138E12C7-352/11/01/2027	National Book Entry-NBE
Citizens Business Bank	250000316	Premium Money Market Gov Serv-MHAIA	\$ 3,288,072			
Citizens Business Bank	250466080	Analyzed Government Operating Account	\$ 245,533			
Citizens Business Bank	250000324	Analyzed Government Money Market Account-APEAM	\$ 5,969,997			
Citizens Business Bank	250000693	Analyzed Government Money Market Account-AFM Exe Account	\$ 1,194,904			
TOTAL AFM Bank Balances -01/31/23			\$ 10,702,506	\$ 19,644,019		184%
TOTAL MHAIA-AFM Bank Balances -12/30/22			\$ 18,856,345	\$ 37,380,227		198%

* FRB denotes the applicable Federal Reserve Bank or Branch responsible for safeguarding the collateral pledged by a financial institution.



Financial Highlights (as of January 2023):

- **Assessment Volume** - The year-to-date net volume of 1.257B pounds is 10.1% lower as compared to plan of 1.398B pounds and higher by 2.7% than last year's actuals of 1.224B pounds.
- **Spending** - The total spending as of January 2023 of \$30.30M is lower than plan by \$1.05M which is due to timing and, and lower than our FY21 actuals of \$31.25M.
- **Financial Position** - The financial position change in net assets and equity is currently \$13.56M compared to a budgeted amount of \$9.84M and last year's actuals of \$17.73M.
- **Assets** - Of the total net assets of \$13.56M, \$8.15M represents the cash and cash equivalent.
- **Reserve** - MHAIA's goal is to set aside approximately 15% as a reserve of the assessment which amounts to \$4.01M as of January 2022, and \$8.11M for the total fiscal year.

Financial Summary

YTD-January 31,2023

Volume	Actual-YTD January 31,2023	Budget -YTD January 31,2023	\$ Change-Act vs Budget	Actual-YTD January 31,2022	\$ Change-Act vs PY						
Gross	1,296,470,445	1,440,341,442	(143,870,998)	1,263,680,580	32,789,865						
Organic	(37,988,972)	(39,609,390)	1,620,417	(36,121,940)	(1,867,032)						
Re-export	(1,659,632)	(2,736,649)	1,077,016	(3,559,210)	1,899,578						
Net	1,256,821,840	1,397,995,404	(141,173,564)	1,223,999,430	32,822,410						
% Variance-Gross			-10.0%		2.6%						
% Variance-Net			-10.1%		2.7%						
Contribution	Actual-YTD January 31,2023	Budget -YTD January 31,2023	\$ Change-Act vs Budget	Actual-YTD January 31,2022	\$ Change-Act vs PY	Spending	Actual-YTD January 31,2023	Budget -YTD January 31,2023	\$ Change-Act vs Budget	Actual-YTD January 31,2022	\$ Change-Act vs PY
HAB	\$26,707,464	\$29,707,402	(2,999,938)	\$26,009,988	\$697,476	AFM Direct Marketing	\$21,213,917	\$22,588,471	-\$1,374,554	\$20,124,568	\$1,089,349
APEAM (net)	\$590,098	\$787,779	(197,681)	\$534,633	\$55,464	AFM Indirect Marketing	\$3,316,818	\$3,539,771	-\$222,953	\$2,888,222	\$428,596
Other Income (Interest)	\$4,229	\$6,300	(2,071)	\$5,109	(\$80)	AFM Marketing Others	\$4,647,266	\$3,049,757	\$1,597,509	\$7,211,710	-\$2,564,444
Total contribution/Income	\$27,301,791	\$30,501,481	(\$3,199,690)	\$26,549,731	\$752,060	Total AFM Marketing	\$29,178,000	\$29,178,000	\$1	\$30,224,500	-\$1,046,500
% Change			-10.5%		2.8%	MHAIA Com/ Analytics	\$92,247	\$244,448	-\$152,201	\$85,681	\$0
						MHAIA Direct Marketing	\$7,840	\$425,000	-\$417,160	\$7,321	\$519
						MHAIA Marketing Admin	\$481,791	\$815,766	-\$333,975	\$448,811	\$32,980
						Total MHAIA Marketing	\$581,878	\$1,485,214	-\$903,336	\$541,812	\$33,500
						Total General Administrative	\$537,049	\$680,233	-\$143,184	\$482,505	\$54,544
						Total Expenses	\$30,296,927	\$31,343,447	-\$1,046,519	\$31,248,817	-\$958,456
						% Change			-3.3%		-3.07%
						Cost per pound	\$ 0.02	\$ 0.02		\$ 0.03	
Change in Net Assets	Actual-YTD January 31,2023	Budget -YTD January 31,2023	\$ Change-Act vs Budget	Actual-YTD January 31,2022	\$ Change-Act vs PY	Financial Position	Actual-YTD January 31,2023	Budget -YTD January 31,2023	\$ Change-Act vs Budget	Actual-YTD January 31,2022	\$ Change-Act vs PY
Change in Net Assets	(2,995,136)	(841,963)	(2,153,173)	(4,699,086)	1,703,950	Cash & Cash	\$8,153,839	2,410,601	\$5,743,238	\$13,109,607	(\$4,955,768)
Retained Earnings-PY	8,714,088	8,358,319	355,718	13,417,786	(4,703,748)	Equivalents	\$5,407,041	7,432,116	(\$2,025,075)	\$4,617,386	\$789,655
Total Equity	5,718,901	7,516,356	(1,797,455)	8,718,700	(2,999,798)	Other Assets (AR/FA)	\$13,560,881	9,842,718	\$3,718,163	\$17,726,994	(\$4,166,113)
						Total Assets	\$13,560,881	9,842,718	\$3,718,163	\$17,726,994	(\$4,166,113)
						Total Liabilities	\$7,841,979	2,326,363	\$5,515,616	\$9,008,294	(\$1,166,315)
						Total Equity	\$5,718,901	7,516,355	(\$1,797,453)	\$8,718,700	(\$2,999,798)
						Total Net Assets/Liabilities	\$13,560,881	9,842,718	\$3,718,163	\$17,726,994	(\$4,166,113)
						Reserve Goal-15% of FY 23-as of					
						January 23	\$ 4,006,120	\$ 4,456,110	(\$49,991)	\$ 3,901,498	\$ 104,621
						Budgeted FY 23 Reserve Goal-15%		\$ 8,108,773			



AFM Funding Allocation

Funding allocation	Actual-YTD		Actual-YTD	Ratio-Budget-		
	January 31,2023	Budget -YTD January 31,2023	January 31,2022	Ratio-Actual-YTD January 31'23	YTD January 31'23	Ratio-PY -YTD January 31'22
MHAIA to AFM	\$ 29,178,000	\$ 29,178,000	\$ 30,224,500	65.46%	65.17%	66.78%
APEAM to AFM	13,706,919	13,706,919	\$ 10,499,070	30.75%	30.61%	23.20%
APEAM to MHAIA	\$ 590,048	\$ 787,780	\$ 534,633	1.32%	1.76%	1.18%
APEAM Special Project	\$ 1,100,000	\$ 1,100,000	\$ 4,000,000	2.47%	2.46%	8.84%
Total	\$ 44,574,967	\$ 44,772,698	\$ 45,258,203	100.00%	100.00%	100.00%
MHAIA Communications/Analytics	92,247	244,448	85,681	100.00%	100.00%	
Total Funding	\$ 44,667,214	\$ 45,017,146	\$ 45,343,884			

Pollination Group – MHAIA / AFM Sustainability Gap Analysis:

The Pollination Group described the risks and opportunities for the development of a comprehensive sustainability framework for the industry including framework components and a timeline.

Key priority issues include biodiversity, climate change, land use / deforestation, water use and management.

Potential outcomes include proactive and credible communications, strengthened relationships with stakeholders, opportunity to increase market share, and a stronger ability to obtain third party certifications.

New Business and Public Comment:

The next set of meetings will be May 24 and 25.

There being no additional new business, Jaime Rivas motioned to adjourn which was seconded by Jackie Solaris. There was no objection.

Respectfully Submitted,

Ron Campbell, MHAIA Executive Director



I certify that the above is a true and accurate statement of the February 23, 2023, MHAIA Board of Directors Meeting.

Jon Ullrich, MHAIA Board Secretary