



Mexican Hass Avocado Importers Association
Annual Meeting Minutes
May 15, 2019

Place

AFM Headquarters
Culinary Center
Las Colinas, Texas

Time: 9:00 – 12:00 PM

Board of Directors:

Growers / Packers		Term Expires
Gabriel Villaseñor (Vice Chair)	Director	2020
Jaime Rivas Campbell	Alt	2020
Adrian Iturbide	Director	2020
Jorge Vallejo Esquivel	Alt	2020
David Ruiz Vega	Director	2019
Gustavo Rivas Benitez	Alt	2019
Carlos Genel (Treasurer)	Director	2019
Jose Alfredo Hernandez	Alt	2019
Importers		Term Expires
Jon Ulrich	Director	2020
Giovanni Cavaletto	Alt	2020
Jorge Hernandez (Secretary)	Director	2020
Rigo Perez	Alt	2020
Mike Browne (Chairman)	Director	2019
Gary Calaroso	Alt	2019
Aaron Acosta	Director	2019
Gahl Crane	Alt	2019

AMS: _____

Vicky Carpenter

Officially Present: _____

Armando Lopez
Dolora Sillman
Stephanie Bazan
Ron Campbell
Alvaro Luque
Kevin Brosch
Kevin Hamilton
Alfonso Delgado
Miguel Molina
Ivonne Kinser
Becky Estrada
Stephanie Browder

Maura Morales
Casey Evans
Miguel Barceña



Members

Jim Donovan
 Dave Billings
 Fernando Torres
 Dave Billings
 Elizabeth Ayala

Javier Medina
 Jose Luis Gallardo
 Rigoberto Lemus
 Gustavo Rivas

Russell Faulks
 Jorge Vallero Esquivé
 Victor Barragan
 Ramon Paz

Guests:

Emiliano Escobedo

Meeting Conveners:

Upon conclusion of the AFM meeting, Chairman Mike Browne called the MHAIA meeting to order, took the roll call and established a quorum. Kevin Brosch read the antitrust policy that was also distributed to the participants as part of the agenda. Mr. Browne requested comments on the May board meeting minutes. Jorge Hernandez motioned to approve the minutes which was seconded by Jon Ullrich. The motion passed without objection.

Treasurers Report:

Mike introduced Dolora to present the Treasurers Report:

Volume	FY-19-20 Proposed Budget	FY 18-19-Proposed Amended Budget (May 2019)	\$ Change	% Change
Gross	2,000,000,000	2,108,480,205	(108,480,205)	-5.1%
Organic	(55,000,000)	(59,897,495)	4,897,495	-8.2%
Re-export	(800,000)	(871,747)	71,747	-8.2%
Net	1,944,200,000	2,047,710,964	(103,510,964)	-5.1%

Contribution	FY-19-20 Proposed Budget	FY 18-19-Proposed Amended Budget (May 2019)	\$ Change	% Change
HAB	\$41,314,250	\$43,513,858	(2,199,608)	-5.1%
APEAM	\$901,054	\$731,349	169,704	23.2%
Other income (Interest)	\$15,600	\$15,007	593	4.0%
Total contribution/income	\$42,230,904	\$44,260,214	(\$2,029,311)	-4.6%

Change in Net Assets	FY-19-20 Proposed Budget	FY 18-19-Proposed Amended Budget (May 2019)
Change in Net Assets	(3,419,707)	532,685
Retained Earnings-PY	11,188,483	10,655,798
Total Equity	7,768,777	11,188,483

Funding Requirement	FY-19-20 Proposed Budget	FY 18-19-Proposed Amended Budget (May 2019)	Ratio FY 2020	Ratio FY 2019
MHAIA to AFM	\$ 45,170,000	\$ 41,625,527	66.67%	66.67%
MHAIA (On hold-Reserve for Market Opportunities)	\$ (2,333,333)			
APEAM to AFM	\$ 21,683,946	20,081,414	33.33%	33.33%
APEAM (On hold-Reserve for Market Opportunities)	\$ (1,166,667)			
APEAM to MHAIA	\$ 901,054	\$ 731,349		
Total	\$ 64,255,000	\$ 62,438,291	100%	100%
APEAM Market Reporting	-	172,945		100%
MHAIA Communications/Analytic	405,403			100%
Total Funding	\$ 64,660,403	\$ 62,611,236		

Total funding including Reserve	\$ 67,755,000	\$ 62,438,291	\$ 5,316,709.28	8.52%
APEAM Market Reporting		\$ 172,945		
MHAIA				
Communications/Analytics	\$ 405,403			
Total	\$ 68,160,403	\$ 62,611,236	\$ 5,316,709	8.49%

Spending	FY-19-20 Proposed Budget	Proposed Amended Budget (May 2019)	\$ Change	% Change
AFM Direct Marketing	\$39,498,208	\$36,516,787	\$2,981,421	8.2%
AFM Marketing Admin/Othe	\$5,671,792	\$5,108,740	\$563,052	11.0%
AFM Marketing (Hold)	-\$2,333,333	\$0	-\$2,333,333	-3333333430.2%
MHAIA Communications/An	\$405,403	\$0	\$405,403	0.0%
MHAIA Direct Marketing	\$220,000	\$315,000	-\$95,000	-30.2%
MHAIA Marketing Admin	\$1,227,755	\$982,591	\$245,164	25.0%
General Admin	\$960,785	\$804,412	\$156,373	19.4%
Total Expenses	\$45,650,610	\$43,727,530	\$1,923,080	4.4%

Cost per pound	\$ 0.02	\$ 0.02
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Financial Position	FY-19-20 Proposed Budget	FY 18-19- Proposed Amended Budget (May 2019)	\$ Change	% Change
Cash & Cash Equivalents	\$6,225,059	\$9,837,784	-\$3,612,725	-36.7%
Other Assets (AR/FA)	\$3,246,531	\$3,873,240	-\$626,710	-16.2%
Total Assets	\$9,471,590	\$13,711,024	(\$4,239,435)	-30.9%
Total Liabilities	\$1,702,813	\$2,522,541	-\$819,727	-32.5%
Total Equity	\$7,768,777	\$11,188,483	-\$3,419,707	-30.6%
Total Assets/Liabilities	\$9,471,590	\$13,711,024	(\$4,239,435)	-30.9%



The MHAIA Board agreed with the recommendations from the AFM board to remain conservative with our estimates by staying with a 2 billion lb. figure for the coming fiscal year and revisit the numbers in September. Therefore, Jorge Hernandez motioned to approve the 2019-20 budget which was seconded by Jamie Rivas. The motion passed without objection.

Crop Report:

A discussion on the crop report from the previous day continued. The MHAIA board agreed with the recommendations from the AFM board to remain conservative regarding the report and revisit our approach in September as the Loca crop is being harvested. In addition, a year on year comparison of the estimate vs. actual was requested.

MOU Amendment:

The previous day, the JEC recommended approval to use \$12MM over the course of the next three years (depending on APEAM's cash needs) for construction of the Avocado House in Uruapan. Jaime Rivas motioned to approve the spending according to the previous budget approval (\$3.5MM the current fiscal year, \$3.5MM next fiscal year and the balance to be revisited in terms of payment timing). Gustavo Rivas seconded the motion, and all were in favor.

Alvaro presented \$3.5MM in possible spending cuts and funds on hold to cover the \$3.5MM.

Emiliano Escobedo presented HAB activities over the past few years.

Mike Browne provided a statement for the record to show a vote of confidence for the Hass Avocado Board and requested that Ron Campbell draft a letter to the HAB Chairman stating so.

In addition, Gabriel appointed David Ruiz to serve on HAC and Jaime Rivas will be his alternate and Ron will draft a letter to the HAB chairman advising the HAB board of the changes.

Mike suggested that AFM provide our extra PMA expo passes to the HAB board. Alvaro will work on that.

Dolora explained that there will be two upcoming external audits that the board needs to be aware of. The annual financial audit will kick off in July and the AMS three-year audit will take place in November. Carlos Genel motioned to approve Gruber and Associates and Jose Alfredo seconded the motion. All were in favor.

Alvaro and Ron explained the difference between the proposed MHAIA industry affairs and analytics positions and the personnel Alvaro plans on hiring.

Ron advised the board of the upcoming elections. Besides the importer, grower and packer elections the Chairman and the Treasurer positions will also become vacant. All Directors and officers will be seated during the upcoming Annual meeting.



Next Meeting:

The crop report is due during the last week of August and the next meetings are scheduled for September 17&18.

New Business:

FSMA, training manual developed by the Produce Safety Alliance has been published and Mike provided the manual to APEAM. In the future, it is anticipated that APEAM will become the trainer according to the Produce Safety Alliance requirements.

A discussion on the definition a lot during grade inspection took place. Because of the arbitrary nature of the inspection process, Ron and Kevin will sit with AMS Market Inspection to negotiate a standardized process for inspection and fees.

Gary Caloroso proposed July 2nd for a live Marketing Committee meeting in McAllen, Texas.

There being no additional new business, Carlos Genel motioned to adjourn, and the motion was seconded by Jorge Hernandez. All were in favor.

Respectfully Submitted,

Ron Campbell, MHAIA Executive Director

I certify that the above is a true and accurate statement of the May 15, 2019, MHAIA Board of Directors Meeting.

Jorge Hernandez, MHAIA Board Secretary