



Mexican Hass Avocado Importers Association
Board Meeting Minutes
February 23, 2021

Place

Zoom Meeting

Time: 1:00 PM – 4:30 PM CDT

Board of Directors:

Growers / Packers		Term Expires
David Ruiz Vega (Chair)	Director	2021
Gustavo Rivas Benitez	Alt	2021
Ivan Alejandro Oseguera Quintero	Director	2021
Jesus Domingo Calderon Urbina	Alt	2021
Rigoberto Lemus	Director	2022
Ricardo Vega Jr.	Alt	2022
Dr. Antonio Ortiz Gonzalez	Director	2022
Lic. Juan Pablo Figueroa Cejudo	Alt	2022

(Two grower seats presented to MHAIA 11-25-20 / delayed due to Covid)

Importers		Term Expires
Aaron Acosta	Director	2021
Gahl Crane	Alt	2021
Gary Caloroso (Treasurer)	Director	2021
Peter Shore	Alt	2021
Jon Ulrich (Vice-Chair)	Director	2022
Jorge Hernandez	Alt	2022
Giovanni Cavaletto	Director	2022
Mike Chirico	Alt	2022

AMS:

Kelly Robertson
Katie Cook
George Webster

Officially Present:

Armando Lopez
Dolora Sillman
Miguel Barcenas
Ron Campbell
Alvaro Luque
David Spirito

Kevin Hamilton
Stephanie Bazan
Ivonne Kinser
Stephanie Browder
Kevin Brosch

Michael Lemos
Miguel Molina
Becky Estrada
Brad Barker
Ana Ambrosi



Members

Jose Luis Gallardo	Dave Billings	Carlos Genel	Sergio Chavez
Elizabeth Ayala	Rigo Perez	Gabriel Villaseñor	Ricardo Vega II
Dave Faucet	Patrick Cortez	Stephen Fink	Jacqueline Solares
Juan Pablo Figueroa	Jeff Onstot	Joe Navarro	Peter Perez
Jesus Domingo Calderon	Nick Garcia		

Guests:

Emiliano Escobedo	Joe Pawlak	Arjun Chakravarti
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Meeting Convened:

Chairman David Ruiz 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. Jon Ulrich motioned to approve the minutes which was seconded by Aaron Acosta. The motion passed without objection.

Treasurer Gary Caloroso introduced Dolora Sillman, to provide the treasurers report.

Cash Balances February 19, 2021

	MHAIA	AFM	Total
AFM-EX MM Acct		\$1,218,502	\$1,218,502
Citizens Business Bank-MHAIA MMKT	\$11,233,056 ⁴	\$2,779,947 ¹	\$14,013,003
Citizens Business Bank-APEAM MMKT		\$4,641,520 ²	\$4,641,520
Citizens Business Bank-Optg. (with OChecks)	\$1,000	\$399,326 ³	\$400,326
Petty Cash		\$2,500	\$2,500
Total	\$ 11,234,054	\$ 9,041,796	\$ 20,275,851

Notes:

1. AFM MHAIA MM does not include the Jan '21 50% contribution of \$2.517M, and Feb '21 contribution of \$4.964M or a total of \$7.480M.
2. AFM APEAM MM includes the Feb '21 contribution wire payment of \$1.748M.
3. AFM Optg- includes the outstanding Feb 28 2021 Payroll of \$311.47K
4. MHAIA- MMKT Balance of \$11.23M does not include the Jan'21 estimated assessment of \$4.7M.



January 31, 2021 Financial Summary:

Volume	Actua YTD Jan 31,2021	Budget YTD Jan 31,2021	\$ Change Act vs Budget	Actua YTD Jan 31,2020	\$ Change Act vs PY
Gross	1,314,063,633	1,315,700,595	(1,636,962)	1,164,810,000	149,253,633
Organic	(32,870,225)	(31,136,336)	(1,733,889)	(30,987,908)	(1,882,317)
Re-export	(1,230,457)	(1,011,299)	(219,158)	(1,105,863)	(124,594)
Dumped	(164,194)		(164,194)		(164,194)
Net	1,279,798,757	1,283,552,960	(3,754,203)	1,132,716,229	147,082,528
% Variance			-0.3%		13.0%

Contribution	Actua YTD Jan 31,2021	Budget YTD Jan 31,2021	\$ Change Act vs Budget	Actua YTD Jan 31,2020	\$ Change Act vs PY
HAB	\$27,199,213	\$27,275,500	(76,288)	\$24,065,575	\$3,133,638
APEAM (net)	\$508,899	\$482,892	26,007	\$453,972	\$54,927
Other income (Interest)	\$10,496	\$11,489	(993)	\$13,019	(\$2,524)
Total contribution/income	\$27,718,607	\$27,769,881	(\$51,273)	\$24,532,566	\$3,186,041
% Change			-0.2%		13.0%

Spending	Actua YTD Jan 31,2021	Budget YTD Jan 31,2021	\$ Change Act vs Budget	Actua YTD Jan 31,2020	\$ Change Act vs PY
AFM Direct Marketing	\$16,640,386	\$20,916,022	-\$4,275,636	\$14,837,782	\$1,802,605
AFM Marketing Admin/Other	\$9,116,819	\$4,841,183	\$4,275,636	\$5,938,854	\$3,177,965
Total AFM Marketing	\$25,757,205	\$25,757,205	\$0	\$20,776,635	\$4,980,570
MHAIA Communications and Analytics	\$0	\$35,544	-\$35,544	\$0	\$0
MHAIA Direct Marketing	\$7,000	\$7,000	\$0	\$7,417	-\$417
MHAIA Marketing Admin	\$367,791	\$485,992	-\$118,201	\$395,121	-\$27,330
Marketing	\$374,791	\$528,536	-\$153,745	\$402,538	-\$27,747
Total General Administrative	\$465,555	\$463,337	\$2,219	\$441,314	\$24,241
Total Expenses	\$26,597,552	\$26,749,078	-\$151,526	\$21,620,488	\$4,977,064
% Change			-0.6%		23.02%
Cost per pound	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	

Change in Net Assets	Actua YTD Jan 31,2021	Budget YTD Jan 31,2021	\$ Change Act vs Budget	Actua YTD Jan 31,2020	\$ Change Act vs PY
Change in Net Assets	1,121,056	1,020,803	100,253	2,912,078	(1,791,022)
Retained Earnings-PY	12,512,829	12,512,829	0	11,456,661	1,056,168
Total Equity	13,633,885	13,533,632	100,253	14,368,739	(734,854)

Financial Position	Actua YTD Jan 31,2021	Budget YTD Jan 31,2021	\$ Change Act vs Budget	Actua YTD Jan 31,2020	\$ Change Act vs PY
Cash & Cash Equivalents	\$13,874,528	\$11,124,088	\$2,750,440	\$12,348,057	\$1,526,471
Other Assets (AR/FA)	\$4,888,144	\$4,962,421	(\$74,277)	\$4,429,050	\$459,095
Total Assets	\$18,762,672	\$16,086,508	\$2,676,164	\$16,777,107	\$1,985,565
Total Liabilities	\$5,128,787	\$2,552,876	\$2,575,911	\$2,408,368	\$2,720,419
Total Equity	\$13,633,885	\$13,533,632	\$100,253	\$14,368,739	(\$734,854)
Total Net Assets/Liabilities	\$18,762,672	\$16,086,508	\$2,676,164	\$16,777,107	\$1,985,565
Reserve Goal-15% of FY 21-Jan 2021 Assessment	\$ 4,079,882	\$ 4,091,325	(\$11,443)	\$ 3,609,836	\$ 470,046
Estimated FY 21 Reserve Goal-15% of Total Year Assessment	\$ 7,191,989	\$ 7,191,989	\$ -	\$ 6,390,841	\$ 801,148

Funding allocation	Actual YTD Jan 31,2021	Budget YTD Jan 31,2021	Actual YTD Jan 31,2020	Ratio Actual YTD Jan 31	Ratio Budget YTD Jan 31	Ratio PY YTD Jan 2020
MHAIA to AFM	\$ 25,757,205	\$ 25,757,205	\$ 20,776,635	63.86%	63.90%	63.86%
APEAM to AFM	14,070,478	14,070,478	10,298,792	36.14%	36.10%	36.14%
APEAM to MHAIA	\$ 508,899	\$ 482,892	\$ 453,972			
Total	\$ 40,336,582	\$ 40,310,575	\$ 31,529,399	100.00%	100.00%	100.00%

MHAIA Communications/Analytics		35,544	
Total Funding	\$ 40,336,582	\$ 40,346,119	\$ 31,529,399

APEAM to MHAIA -Gross	465,555	463,337	441,314
Add:Prepaid Invoices-ERP/Adaptive	124,422	100,971	99,847
Less: Depreciation	(21,014)	(23,514)	(46,571)
Less: Dues and Subscription (Prepaid portion)	(60,064)	(57,902)	(40,619)
Add: Capex			
Net APEAM Contribution to MHAIA	508,899	482,892	453,972



Crop Balance estimate-2nd Stage

Volume in Tons/Pounds at Gross	Tons	%	Pounds	%
APEAM				
FY 20-21-Total Projected Harvest	1,266,999		2,793,254,655	
Total FY 20-21-Projected Shipments	1,052,073		2,319,424,507	
<i>% Shipments compared to Harvest</i>		<i>83.04%</i>		

Harvest

Actual Harvest-as of Feb 14,2021	817,080	64.5%	1,801,353,050	64.5%
Balance to be Harvested-Feb 15- Jul 4,2021	449,919	35.5%	991,901,605	35.5%
2020-2021 Estimated Harvest	1,266,999	100%	2,793,254,655	100%
Ave/Wk.-20 weeks	22,496		49,595,080	

Shipments-Perspectivas

Actual Shipped as of Feb 14,2021	691,316	62.3%	1,524,091,327	62.3%
Balance to be shipped -Feb 15-July 4,2021	418,988	37.7%	923,709,869	37.7%
Total Shipments	1,110,304	100%	2,447,801,196	100%
Ave/Wk.-20 weeks	20,949		46,185,493	
<i>% Inc (Dec) - Total Estimate vs Total Projection</i>		<i>5.5%</i>		
<i>% Actual Shipment as compared to Harvest as of Feb 14,2021</i>		<i>84.6%</i>		
<i>% to be shipped as compared to be harvested (Feb 15-July 4)</i>		<i>93.1%</i>		

Note: MHAIA Approved Amended volume for FY 20-21- 2.319 billion pounds- gross of organics and re-export

Crop Report Discussion:

Due to a disparity between Jesus Jasso’s estimation which was completed at the end of January and APEAM’s estimation that considers extensive cold and frost damage that occurred in early February, the board agreed, cautiously, to increase the budget by adding 5% additional volume but freeze the additional funds until mid -March after a better evaluation of the crop damage.

David Ruiz motioned to increase the budget by 5% but instructed AFM to freeze expenditure of these funds until a more accurate forecast can be estimated. In addition, if it is decided that the volume is there, the MHAIA Board agrees to allow JEC the latitude to release the funds and expedite approval of the spending plan. The motion was seconded by Aaron Acosta and carried without objection.

Chairman Gary Caloroso introduced Dr. Arjun Chakravarti to provide a presentation on the 2021 economic outlook and a look at “Foodservice in the K-Shaped Economy.”

In short, so far, the U.S. spent \$4 trillion to keep the economy at 90% capacity and due to the prolonged shutdown, net savings are up 173% or \$1.56 trillion creating a possible broad-based post-COVID



comeback for foodservice. Nevertheless, low-income households report the highest desire to return to restaurants but may lack the resources to do so.

Summary:

- Economists expect 4-5% U.S. GDP growth (from poor base) dependent on vaccine rollout.
- High income spenders still holding back but primed for a return id COVID levels drop.
- High income spend will boost lower income households but over a long period of time.
- Significant inflation likely but risk factors persist.

Upon conclusion of the economic outlook presentation, Armando Lopez provided an update and a video of the Casa APEAM progress. If construction continues to stay on track, preliminary completion is possible by this Summer.

New Business:

The Board agreed to May 18 & 19 for the dates of the next set of meetings.

Ron advised the Board about the hiring of Pilar Osorio As MHAIA's new Analytics Manager. Pilar will begin March 19 and will work from home until mid-January of next year.

There being no additional new business, Giovanni motioned to adjourn which was seconded by Jon. 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, 2021, MHAIA Board of Directors Meeting.

Rigoberto Lemus, MHAIA Board Secretary