



Mexican Hass Avocado Importers Association
Board Meeting Minutes
February 22, 2022

Place

Marriott, Santa Monica, California

Time: 2:00 PM – 5:30 PM CDT

Board of Directors:

Growers / Packers

Rigoberto Lemus (Secretary)	Director	2022
Ricardo Vega Jr.	Alt	2022
Dr. Antonio Ortiz Gonzalez	Director	2022
Lic. Juan Pablo Figueroa Cejudo	Alt	2022
Jaime Rivas Jr. (Treasurer)	Director	2023
Augustin del Rio	Alt	2023
Ivan Alejandro Oseguera Quintero	Director	2023
Jesus Domingo Calderon	Alt	2023

Importers

Term Expires

Jon Ulrich (Vice-Chair)	Director	2022
Jacqueline Solares	Alt	2022
Mike Chirico	Director	2022
Gahl Crane	Alt	2022
Gary Caloroso (Chair)	Director	2023
Stephan Fink	Alt	2023
Aaron Acosta	Director	2023
Peter Shore	Alt	2023

AMS: _____

Kelly Robertson
Katie Cook
George Webster

Officially Present: _____

Jose Luis Gallardo
Dolora Sillman
Pilar Osorio
Ron Campbell
Alvaro Luque

Armando Lopez
Stephanie Bazan
Ivonne Kinser
Miguel Barcena

David Spirito
Miguel Molina
Ana Ambrosi
Mitzy Cordero

Members

Rigo Perez Keith Slattery

Guests:

Emiliano Escobedo



Meeting Convenes:

Upon conclusion of the JEC / AFM board meeting, the MHAIA meeting convenes.

Chairman Gary Caloroso called the MHAIA meeting to order, took the roll call and established 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. Ron Campbell mentioned a conversation that was inadvertently omitted from the September 22 board meeting minutes regarding a recent discussion in a HAB board meeting regarding the possibility of amending the assessment rate. In September meeting, the MHAIA was advised about the issue but saw no reason at the present time to make any changes. Ron will add this to the September minutes.

Jaime Rivas motioned to approve the minutes which was seconded by Jon Ulrich. The motion passed without objection.

Chairman Caloroso introduced Treasurer Jaime Rivas and Financial Director Dolora Sillman to present the Treasurers Report.

Treasurers Report:

Cash in Bank Balances and Collateralization:

- Total consolidated cash balances as of February 18,2022 are \$16.72M, \$8.79M from MHAIA and 7.58M from AFM.

Cash in Bank

February 18,2022	MHAIA	AFM	Total
Balances			
AFM-EX MM Acct		\$386,237 ⁴	\$386,237
Citizens Business Bank-MHAIA MMKT	\$8,791,536 ¹	\$1,655,485 ²	\$10,447,021
Citizens Business Bank-APEAM MMKT		\$3,095,923 ³	\$3,095,923
Citizens Business Bank-Optg. (with OACH)	\$1,000	\$2,439,377 ⁵	\$2,440,377
Petty Cash		\$2,500	\$2,500
Total	\$ 8,792,535	\$ 7,579,523	\$ 16,372,058

Notes:

- ¹ - MHAIA- MMKT Balance as of February 18 ,2022 of \$8.79M does not include the January 2022 estimated assessment of \$4.40M.
- ² -AFM MHAIA MM does not include the January 2022 inter company payable from MHAIA of \$5.033M
- ³ - AFM APEAM MM -includes the February 2022 Contribution
- ⁴ - AFM -EX-MM-bal of 386.24K for the new FY 22-25 .
- ⁵ - AFM -Operating-bal of 2.439M- Feb 15,2022 AP outstanding ACH.

- The total funds deposited as of were fully collateralized at \$30.39M as compared to the deposit of \$23.74M.



Collateralization

January 2022

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 1/31/22

Name & Address of Financial Institution, Broker, or Investment Services Company	ABA No.	Type of Account	Amount Currently Deposited- 1/31/22	Collateral Pledged 1/31/22	Maturity Date of Collateral Pledged	Location of FRB* Holding Collateral
MHAIA						
TOTAL MHAIA Bank Balances -1/31/22			\$ 13,109,607	\$ 17,394,849		133%
AFM-Subsidiary of MHAIA						
TOTAL AFM Bank Balances -1/31/22			\$ 10,626,836	\$ 12,999,265		122%
TOTAL MHAIA-AFM Bank Balances -1/31/22			\$ 23,736,444	\$ 30,394,113		128%

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

Financial Highlights:

- **Assessment Volume** - The year-to-date net volume of 1.223B pounds is 0.1% higher as compared to plan of 1.221B pounds and lower by 4.3% than last year's actuals of 1.276B pounds.
- **Spending** - The total spending as of January 2022 of \$31.25M is slightly lower than plan by \$875.21K which is normal for this early in the fiscal year due to lower MHAIA marketing and Admin spending, and higher than our FY21 actuals of \$26.60M primary due to the Superbowl funding to AFM.
- **Financial Position** - The financial position change in net assets and equity is currently \$17.71M compared to a budgeted amount of \$9.87M and last year's actuals of \$18.71M.
- **Assets** - Of the total net assets of \$17.71M, \$13.11M 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 \$3.90M as of January 2022, and \$7.05M for the total fiscal year.



Financial Summary

YTD-January 31, 2022

Volume	Actual-YTD Jan 31, 2022	Budget -YTD Jan 31, 2022	\$ Change- Act vs Budget	Actual-YTD Jan 31, 2021	\$ Change- Act vs PY
Gross	1,260,868,105	1,255,195,227	5,672,878	1,312,249,610	(51,381,506)
Organic	(37,131,273)	(32,369,356)	(4,761,917)	(33,505,517)	(3,625,756)
Re-export	(740,438)	(879,461)	139,023	(1,026,028)	285,590
Net	1,222,996,394	1,221,946,410	1,049,984	1,277,718,066	(54,721,672)
% Variance			0.1%		-4.3%

Contribution	Actual-YTD Jan 31, 2022	Budget -YTD Jan 31, 2022	\$ Change- Act vs Budget	Actual-YTD Jan 31, 2021	\$ Change- Act vs PY
HAB	\$25,988,673	\$25,966,361	22,312	\$27,151,509	(\$1,162,836)
APEAM (net)	\$534,633	\$768,504	(233,870)	\$508,899	\$25,734
Other income (Interest)	\$5,109	\$12,200	(7,091)	\$10,496	(\$5,386)
Total contribution/income	\$26,528,416	\$26,747,065	(\$218,649)	\$27,670,904	(\$1,142,487)
% Change			0.8%		-4.1%

Change in Net Assets	Actual-YTD Jan 31, 2022	Budget -YTD Jan 31, 2022	\$ Change- Act vs Budget	Actual-YTD Jan 31, 2021	\$ Change- Act vs PY
Change in Net Assets	(4,720,401)	(5,376,965)	656,564	1,073,352	(5,793,753)
Retained Earnings-PY	13,417,786	12,701,859	715,927	12,512,829	904,957
Total Equity	8,697,385	7,324,894	1,372,491	13,586,181	(4,888,796)

Spending	Actual-YTD Jan 31, 2022	Budget -YTD Jan 31, 2022	\$ Change- Act vs Budget	Actual-YTD Jan 31, 2021	\$ Change- Act vs PY
AFM Direct Marketing	\$20,124,568	\$24,977,404	-\$4,852,836	\$16,640,386	\$3,484,182
Admin/Others	\$10,099,932	\$5,247,096	\$4,852,836	\$9,116,819	\$983,113
Total AFM Marketing	\$30,224,500	\$30,224,500	\$0	\$25,757,205	\$4,467,295
MHAI A Com/ Analytics	\$85,681	\$255,219	-\$169,538	\$0	\$0
MHAI A Direct Marketing	\$7,321	\$315,000	-\$307,679	\$7,000	\$321
MHAI A Marketing Admin	\$448,811	\$667,185	-\$218,375	\$367,791	\$81,020
Total MHAI A Marketing	\$541,812	\$1,237,404	-\$695,592	\$374,791	\$81,340
Total General Administrative	\$482,505	\$662,125	-\$179,620	\$465,555	\$16,950
Total Expenses	\$31,248,817	\$32,124,030	-\$875,212	\$26,597,552	\$4,565,585
% Change			-2.7%		17.17%
Cost per pound	\$ 0.03	\$ 0.03		\$ 0.02	

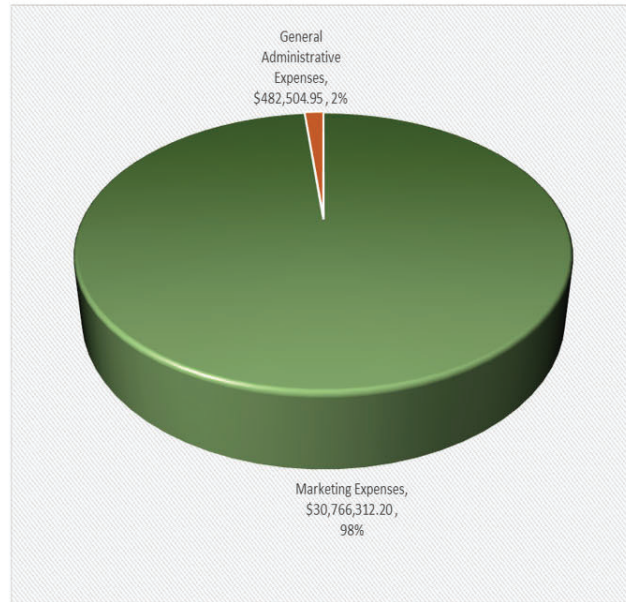
Financial Position	Actual-YTD Jan 31, 2022	Budget -YTD Jan 31, 2022	\$ Change- Act vs Budget	Actual-YTD Jan 31, 2021	\$ Change- Act vs PY
Cash & Cash Equivalents	\$13,109,607	3,495,397	\$9,614,211	\$13,874,528	(\$764,920)
Other Assets (AR/FA)	\$4,596,072	6,380,998	(\$1,784,926)	\$4,840,440	(\$244,369)
Total Assets	\$17,705,679	9,876,394	\$7,829,285	\$18,714,968	(\$1,009,289)
Total Liabilities	\$9,008,294	2,551,500	\$6,456,794	\$5,128,787	\$3,879,507
Total Equity	\$8,697,385	7,324,894	\$1,372,491	\$13,586,181	(\$4,888,796)
Total Net Assets/Liabilities	\$17,705,679	9,876,394	\$7,829,285	\$18,714,968	(\$1,009,289)
Reserve Goal-15% of FY 22-as of Jan 22	\$ 3,898,301	\$ 3,894,954	\$ 3,347	\$ 4,072,726	\$ (174,425)
Budgeted FY 22 Reserve Goal-15%		\$ 7,052,828			



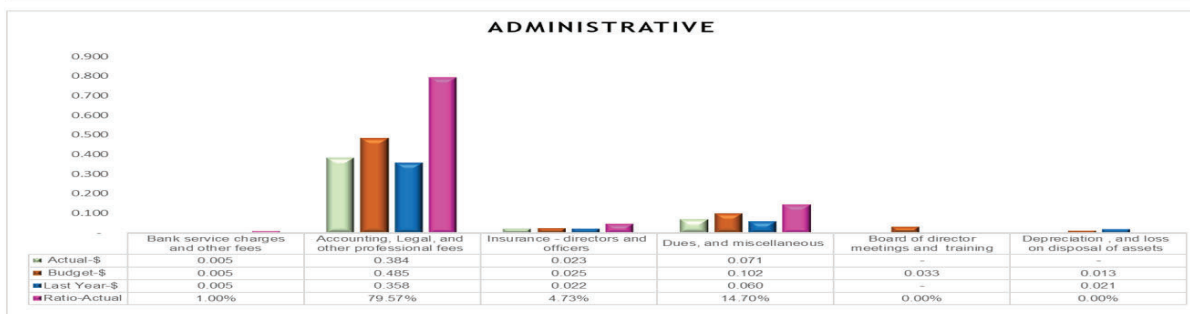
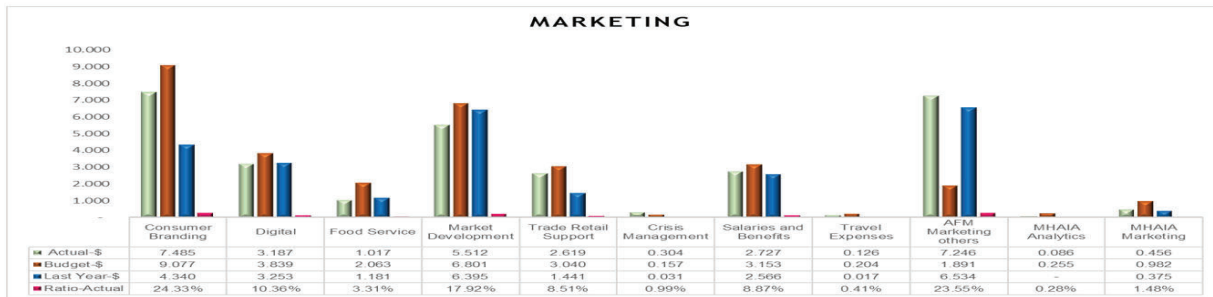
Total Spending-YTD January 2022

Total Spending - \$31.25M

- Marketing-\$30.76M
 - AFM Marketing-\$30.22M
 - MHAIA Marketing-\$542K
- General Admin-\$483K



Spending By Category-YTD January 2022





AFM Funding Allocation

Funding allocation	Actual-YTD Jan 31,2022	Budget -YTD Jan 31,2022	Actual-YTD Jan 31,2021	Ratio-Actual- YTD Jan 31'22	Ratio-Budget- YTD Jan 31'22	Ratio-PY -YTD Jan 31'21
MHAIA to AFM	\$ 30,224,500	\$ 30,224,500	\$ 25,757,205	66.78%	66.44%	63.86%
APEAM to AFM	10,499,070	10,499,071	\$ 10,570,478	23.20%	23.08%	26.21%
APEAM to MHAIA	\$ 534,633	\$ 768,504	\$ 508,899	1.18%	1.69%	1.26%
APEAM to Avo House	\$ 4,000,000	\$ 4,000,000	\$ 3,500,000	8.84%	8.79%	8.68%
Total	\$ 45,258,203	\$ 45,492,074	\$ 40,336,582	100.00%	100.00%	100.00%
MHAIA						
Communications/Analytics	85,681	255,219		100.00%	100.00%	
Total Funding	\$ 45,343,884	\$ 45,747,293	\$ 40,336,582			

Note: the Avo House was excluded from the AFM books for FY 22, and Prior Years

Upon conclusion of the Treasurers report, Chairman Caloroso introduced Pilar to present the crop report.

Crop Report:

Pilar Osorio presented the new MHAIA Crop Projection for the remaining of FY21-22. At the time of the Board meeting, the APEAM new report was still pending. The Crop corresponded to the 2nd Stage report regarding “Normal and Black Fruit” and was executed between January 12 to January 30, 2022. The data used from APEAM corresponded to the 1st Stage “Aventajada – Marcena” report and using actual harvest and shipment values up to January 23rd to standardize the data of both reports.



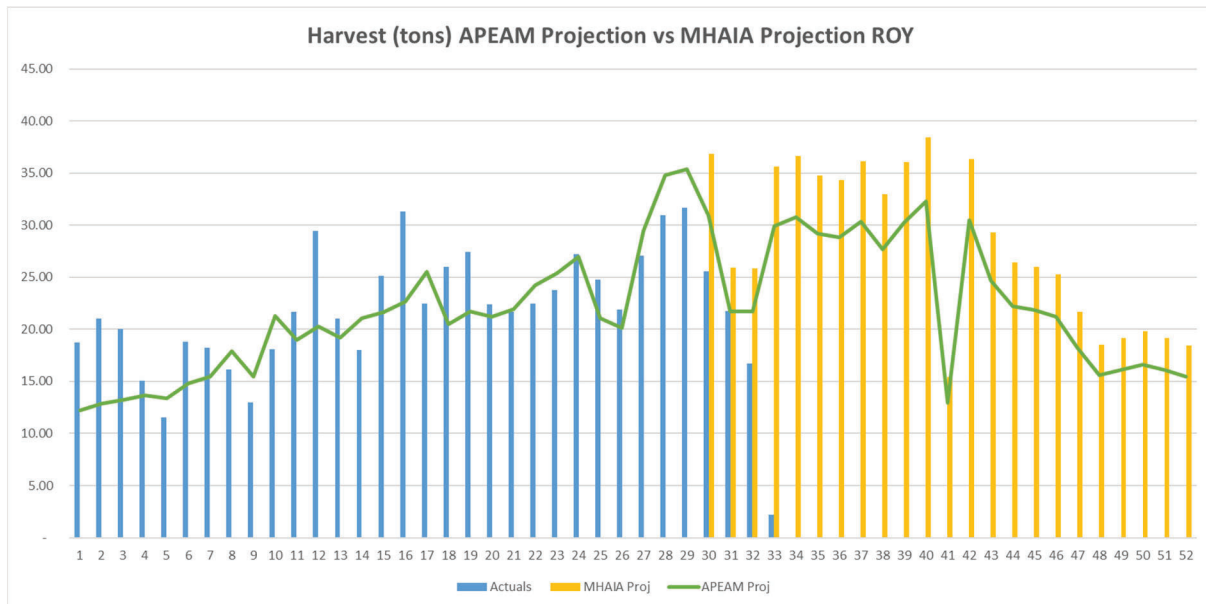
HARVEST (TONS)	TOTAL YEAR PROJECTION	ACTUALS (to Jan 23rd)	ROY (based on 1st Projection)	ROY (Total projection minus actuals)
APEAM	1,147,958.00	646,954.00	545,185.00	501,004.00
MHAIA	1,251,888.84	646,954.00	594,543.54	604,934.84
NEW MHAIA PROJECTION			649,168.50	649,168.50
DIFFERENCE (APEAM-MHAIA)			103,983.50	148,164.50

HARVEST (POUNDS)	TOTAL YEAR PROJECTION	ACTUALS (to Jan 23rd)	ROY (based on 1st Projection)	ROY (Total projection minus actuals)
APEAM	2,530,814,173.61	1,426,289,422.50	1,201,927,183.08	1,104,524,751.11
MHAIA	2,759,942,454.39	1,426,289,422.50	1,310,744,144.82	1,333,653,031.89
NEW MHAIA PROJECTION			1,431,171,559.29	1,431,171,559.29
DIFFERENCE (APEAM-MHAIA)			229,244,376.21	326,646,808.18

SHIPMENTS (TONS)	TOTAL YEAR PROJECTION	ACTUALS (to Jan 23rd)	ROY (based on 1st Projection)	ROY (Total projection minus actuals)
APEAM	969,450.53	560,602.00	460,408.73	408,848.53
MHAIA	1,057,220.13	560,602.00	502,092.02	496,618.13
NEW MHAIA PROJECTION			548,222.80	548,222.80
DIFFERENCE (APEAM-MHAIA)			87,814.07	139,374.27

SHIPMENTS (POUNDS)	TOTAL YEAR PROJECTION	ACTUALS (to Jan 23rd)	ROY (based on 1st Projection)	ROY (Total projection minus actuals)
APEAM	2,137,272,569.61	1,204,501,417.30	1,015,027,506.12	932,771,152.31
MHAIA	2,330,771,402.73	1,204,501,417.30	1,106,923,430.30	1,126,269,985.43
NEW MHAIA PROJECTION			1,208,624,381.82	1,208,624,381.82
DIFFERENCE (APEAM-MHAIA)			193,596,875.71	275,853,229.51

The report also showed the immediate effect of the USA import Ban for one week, which affected both harvest and shipments, as seen below:



The actual harvest during the ban was 2,190 tons and zero shipments. The projection for the remaining weeks was not modified at the time based on this information until compiling more data.

Alvaro asked what will happen in June and July. The consensus was that will be promotable volumes with more data to follow at the end of March.

Additionally, Dolora and Pilar provided an overview of MHAIA revised website.



New Business and Public Comment:

Chairman Caloroso provided the audience with the opportunity to present public comment. There wasn't any.

Under new business, the group decided that the next board meeting will be live in Dallas on May 24, and 25.

There being no additional new business, Aaron Acosta motioned to adjourn which was seconded by Jaime Rivas. 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 22, 2022 MHAIA Board of Directors Meeting.

Rigoberto Lemus, MHAIA Board Secretary