



Mexican Hass Avocado Importers Association
Board Meeting Minutes
September 28, 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:

Heather
 Mathew Collins

Officially Present:

| | | |
|------------------|------------------|-----------------|
| Armando Lopez | David Ruiz | Casey Beltran |
| Dolora Sillman | Stephanie Bazan | Migue I Molina |
| Ilse Manaña | Ana Ambrosi | Steve Klinge |
| Ron Campbell | Miguel Barcena | Alfonso Delgado |
| Alvaro Luque | Kevin Brosch | Brad Barker |
| Stephany Browder | Rafael Herrera | Ilse Magaña |
| Grizel Perez | Jovanny Martinez | Kelly Burke |
| Miguel Barcena | Julio Sahagun | Carlos Vazquez |
| Luis Martinez | | |

Members (past and present)

| | | | |
|--------------------|---------------|------------------|-------------------|
| Dave Billings | Casey Beltran | Mike Browne | Gabriel Vilasenor |
| Jose Pardo | Monica Robles | George Henderson | Jorge Fernandez |
| Marco Hernandez | Julio Sahagun | Elizabeth Ayala | Ramon Paz Vega |
| Phil Henry | Ed Figueroa | Carlos Genel | Saul Medina |
| Giovanni Canaletto | Avi Crane | Gahl Crane | |



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

Chairman Caloroso introduced Treasurer Jaime Rivas for the annual financial audit, crop report, financials and treasurers report.

The first order of business is the annual financial audit. Gary introduced Ron Lopez from the auditing firm, Gruber and Lopez to deliver the annual combined MHAIA / AFM Annual Financial Audit.

There were no findings or questionable costs noted for this past fiscal year.

Ron Lopez presented the following:

Audit Process:

- Audit was performed in accordance with generally accepted auditing standards and *Government Auditing Standards* (more strict).
- The objectives of the audit process are to ensure the MHAIA's financial statements present fairly, in all material respects, the **combined** financial position (balance sheet) and activities (income statement) of MHAIA and its subsidiary (AFM).
- To meet the objectives of the Audit, and in accordance with auditing standards, we performed various tests. Some of the more significant procedures include:
 - Documentation and testing of internal controls over all accounting processes.
 - On a sample basis, we test disbursements, intercompany transfers, and journal entries for compliance with the MHAIA's policies, and where applicable, compliance with the Federal Hass Avocado Promotion Order and AMS Guidelines.
 - Confirm from 3rd parties' cash, investments, attorneys, along with certain revenues and receivables.
 - Perform compliance and allowable costs tests on the use of funds restricted for marketing and promotion of Mexican Hass Avocados.
 - Reconcile MHAIA's significant accounts recorded in the general ledger to detailed sub-ledgers and other supporting documentation.
 - Evaluate the reasonableness of the MHAIA's estimates and assumptions.

Audit Products Produced:

- Audited financial statements



- Report on compliance and internal control over financial reporting in accordance with Government Auditing Standards
- Communication letter to those charged with governance (management letter)

Results of the Audit:

- We issued an *unmodified opinion* on the MHAIA's financial statements on August 31, 2022 (unmodified opinion is the highest opinion an auditor can issue).
- No material weakness or significant deficiencies in internal controls under GAS.
- No non-compliance which is material to the financial statements under GAS.
- There were two immaterial non -Compliance findings noted in the AMS monitoring review: (1) Budgets was issued late in FY21 and FY22; (2) AFM contracts did not have proper language regarding subcontractor terms. Both findings were rectified.

Financial Highlights:

Statement of Activities

- Consolidated revenues increased by \$11.2M primarily due to a \$7.8M increase in HAB assessment revenues (caused by and increase in import volume from 2.47B lbs in FY 23 to 2.01B lbs in FY23).
- Consolidated marketing and promotion expenses increased by \$3.5M primarily due to increases in digital, food service, and market development programs.

Net Assets, Cash Flows, and Statement of Financial Position

- Consolidated net assets (equity) decreased by \$2.7M as a result of total revenues exceeding total expenses.
- Cash flows - consolidated cash and cash equivalents decreased by \$3.0M.
- Statement of Financial Position (balance sheet)– Total consolidated assets increased by \$11.2M primarily as a result of the \$5.9M lease asset. Consolidated liabilities increased by \$8.4M primarily due to a increase of \$5.9M in lease liability.

Notes to the Financial Statements

- Note 1 – Consolidated cash and cash equivalents of \$14.2M consisted of collateralized and FDIC insured deposits and money market savings which were in accordance with AMS investment guidelines. The cash reserve was \$7.6M as of June 30, 2023 (15% of 2023 HAB assessments).
- Note 3 - MHAIA and AFM's marketing, promotion, and consumer information programs were carried out pursuant to contracts with various vendors. Marketing and promotional expenses incurred for services provided by these vendors for the year ended June 30, 2023 were \$63M (net of \$47M of intercompany eliminations).
- Note 4 – Commitments (signed contracts for FY 23):
 - Total MHAIA commitments were approximately \$52.5M for FY23 (\$51.5M AFM contract and \$1M for Staff and other professional fees).
 - Total AFM commitments with vendors were approximately \$6.1M for FY23.
 - Total lease liability for office facilities were approximately \$6.0M for FY23 due to an increase in lease term made during the year.



- Note 10 – Consolidated restricted net assets were \$9.2M at the beginning of the year and increased by \$67M in FY23 of which \$64.7M were released during the year to arrive at \$12.0M at year end.
- Note 11 – Total liquid assets at June 30, 2023 was \$19.5M. To meet 90 days of operating expenses the goal would be \$17.6M.

After the Audit presentation Jaime Rivas motioned to approve the FY 2022 Audit which was seconded by Jon Ulrich without objection.

Treasurers / Crop Report

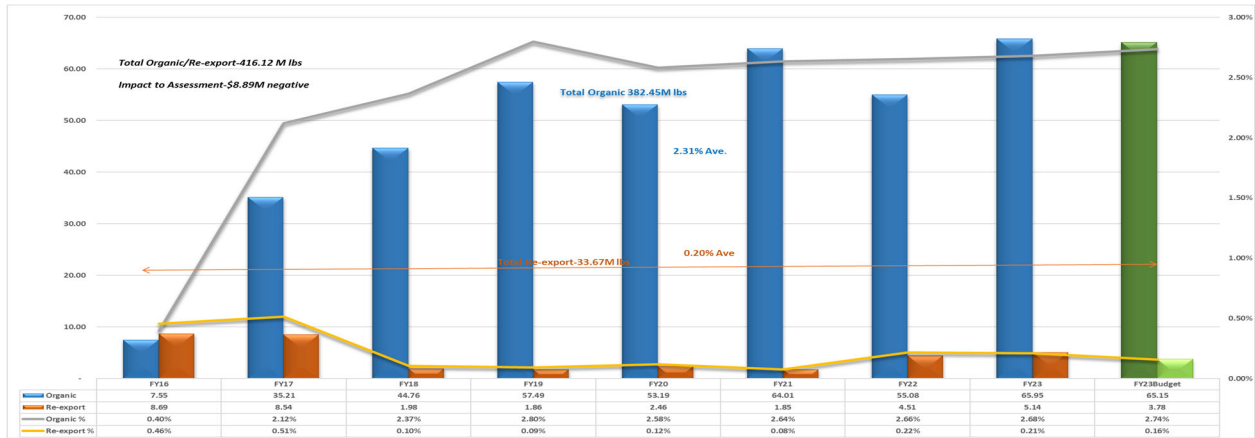
Dolora Sillman presented the Treasurer's Report which includes the FY 2023 review of Volume, Contribution and support , spending and the FY 24 Cash Balances , collateralization and Financials.

FY 2023 review:

Gross Volume increased by 3.3% compared to plan and 18.6% higher than last year.

| Volume | Actual-YTD June 30,2023 | Amended Budget -YTD June 30,2023 | \$ Change- Act vs Budget | Actual-YTD June 30,2022 | \$ Change- Act vs PY |
|-------------------------|----------------------------|--|-----------------------------|----------------------------|-------------------------|
| Gross | 2,459,848,774 | 2,382,048,211 | 77,800,563 | 2,074,049,028 | 385,799,746 |
| Organic | (65,946,826) | (65,149,549) | (797,277) | (55,082,952) | (10,863,874) |
| Re-export | (5,140,952) | (3,778,796) | (1,362,156) | (4,514,795) | (626,157) |
| Net | 2,388,760,996 | 2,313,119,866 | 75,641,130 | 2,014,451,281 | 374,309,715 |
| <i>% Variance-Gross</i> | | | 3.3% | | 18.6% |

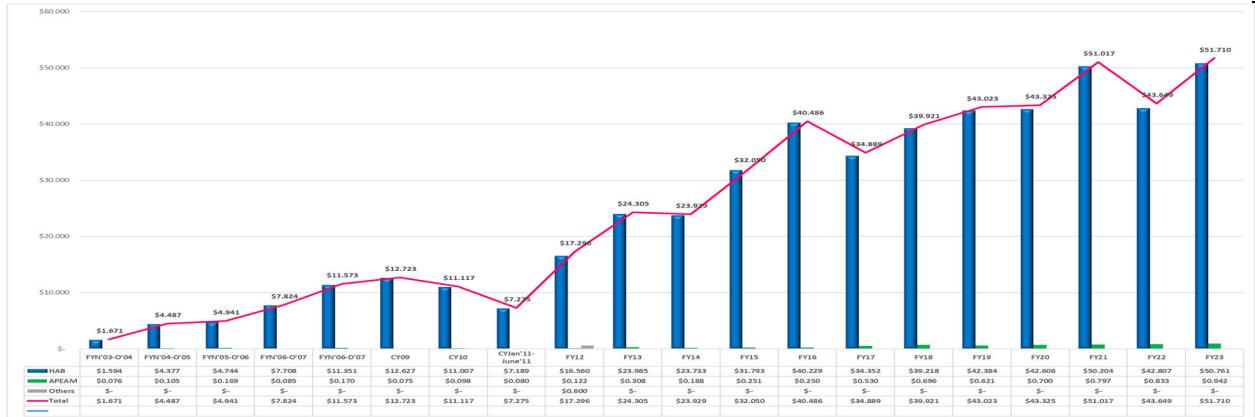




Contribution and support:

The FY23 total contribution of \$51.71M is 2.6% higher compared to plan and 18.5% higher than last year of \$43.65M.

| Contribution | Actual-YTD June 30, 2023 | Amended Budget -YTD June 30, 2023 | \$ Change- Act vs Budget | Actual-YTD June 30, 2022 | \$ Change- Act vs PY |
|----------------------------------|-----------------------------|---|-----------------------------|-----------------------------|-------------------------|
| HAB | \$50,761,171 | \$49,153,797 | 1,607,374 | \$42,807,090 | \$7,954,081 |
| APEAM (net) | \$942,307 | \$1,216,597 | (274,290) | \$833,185 | \$109,122 |
| Other income (Interest) | \$6,432 | \$7,285 | (853) | \$8,354 | (\$1,922) |
| Total contribution/income | \$51,709,910 | \$50,377,679 | \$1,332,231 | \$43,648,629 | \$8,061,281 |
| % Change | | | 2.6% | 18.5% | |



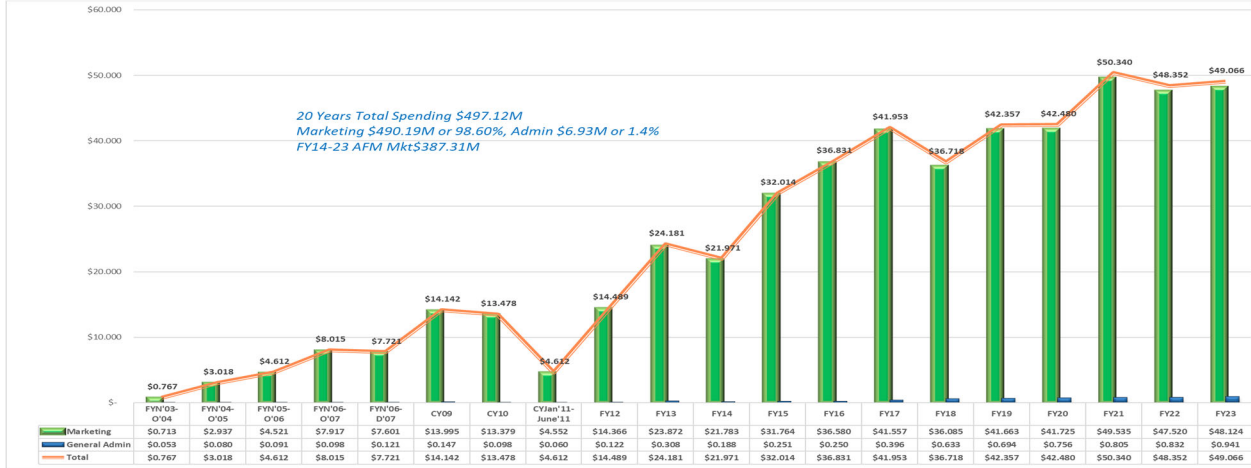
Spending:

MHAIA total spending of 49.07M is 2.8% lower than plan and 1.57% higher than last year of \$48.35M.



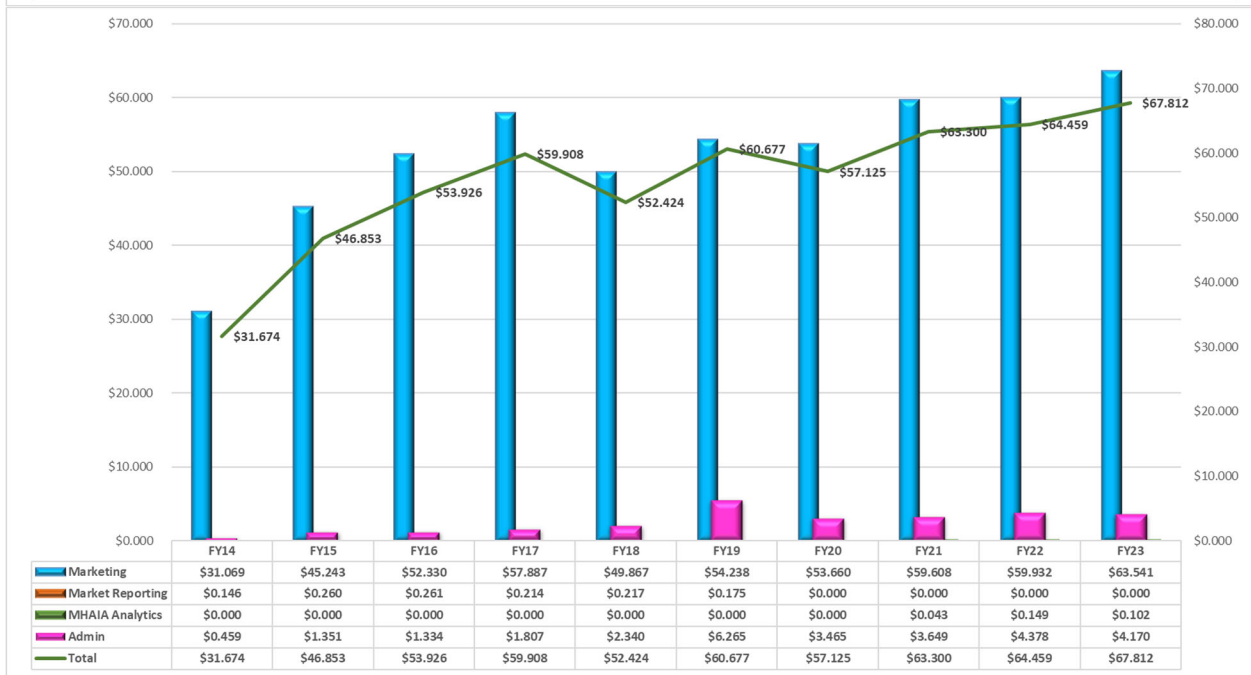
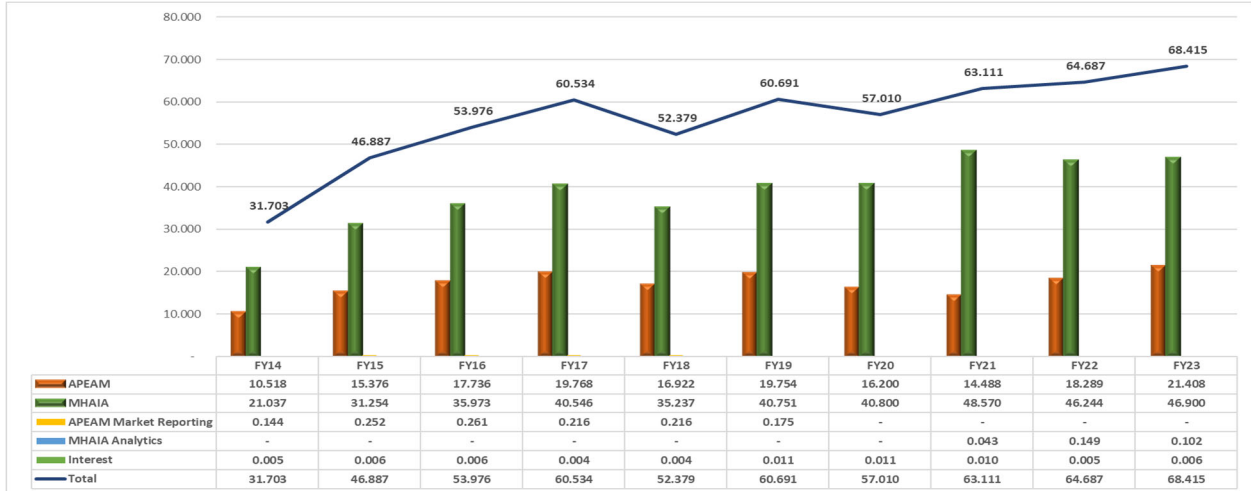
#

| Spending | Actual-YTD June 30,2023 | Amended Budget - YTD June 30,2023 | \$ Change- Act vs Budget | Actual-YTD June 30,2022 | \$ Change- Act vs PY |
|-------------------------------------|----------------------------|---|-----------------------------|----------------------------|-------------------------|
| AFM Direct Marketing | \$41,114,030 | \$41,525,801 | -\$411,771 | \$40,799,341 | \$314,688 |
| AFM Indirect Marketing | \$5,785,757 | \$6,019,338 | -\$233,581 | \$5,444,426 | \$341,331 |
| AFM Marketing Others | \$0 | \$2 | -\$2 | \$0 | \$0 |
| Marketing | \$46,899,786 | \$47,545,141 | -\$645,355 | \$46,243,767 | \$656,019 |
| MHAIA Com/ Analytics | \$101,961 | \$230,539 | -\$128,578 | \$149,186 | \$0 |
| MHAIA Direct Marketing | \$107,840 | \$282,840 | -\$175,000 | \$207,321 | -\$99,481 |
| MHAIA Marketing Admin | \$1,014,846 | \$1,208,900 | -\$194,054 | \$919,819 | \$95,027 |
| Total MHAIA | | | | | |
| Marketing | \$1,224,646 | \$1,722,279 | -\$497,633 | \$1,276,325 | -\$4,454 |
| Total General Administrative | \$941,464 | \$1,194,418 | -\$252,954 | \$832,284 | \$109,179 |
| Total Expenses | \$49,065,897 | \$50,461,838 | -\$1,395,941 | \$48,352,377 | \$760,745 |
| % Change | | | -2.8% | | 1.57% |
| Cost per pound | \$ 0.02 | \$ 0.02 | | \$ 0.02 | |



AFM Historical Contribution and Spending:

| Contribution | Actual-YTD June 30,2023 | Amended Budget -YTD June 30,2023 | \$ Change- Act vs Budget | Actual-YTD June 30,2022 | \$ Change- Act vs PY |
|---------------------------|----------------------------|--|-----------------------------|----------------------------|-------------------------|
| MHAIA | \$46,899,786 | \$47,545,142 | \$ (645,356) | \$46,243,767 | \$ 656,019 |
| APEAM | \$21,407,587 | \$21,455,972 | \$ (48,386) | \$18,288,699 | \$ 3,118,888 |
| MHAIA Com/Analytics | \$ 101,961 | \$ 230,539 | \$ (128,578) | \$ 149,186 | \$ (47,225) |
| Other income (Interest) | \$ 5,542 | \$ 5,849 | \$ (306) | \$ 5,368 | \$ 174 |
| Total contribution | \$68,414,876 | \$69,237,502 | \$ (822,626) | \$64,687,020 | \$ 3,727,856 |
| % Variance | | | -1.2% | | 5.8% |



Cash Balances



| September 24, 2023 | MHAIA | AFM | Total |
|------------------------------------|--------------------------|---------------------|----------------------|
| Balances | | | |
| AFM-EX MM Acct | | \$1,410,579 | \$1,410,579 |
| Citizens Business Bank-MHAIA MMKT | \$7,683,355 ¹ | \$3,063,772 | \$10,747,127 |
| Citizens Business Bank-APEAM MMKT | | \$2,169,529 | \$2,169,529 |
| Citizens Business Bank-Optg. (ACH) | \$296 | \$2,210,714 | \$2,211,010 |
| Petty Cash | | \$2,500 | \$2,500 |
| Total | \$ 7,683,651 | \$ 8,857,094 | \$ 16,540,745 |

Notes:

¹-MHAIA- MMKT Balance as of Sep 23, 2023 of \$7.68M does not include the Aug 2023 estimated assessment of \$2.7M or 127M pounds net.

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 8/31/23

| Name & Address of Financial Institution, Broker, or Investment Services Company | ABA No. | Type of Account | Amount Currently Deposited- 08/31/23 | Collateral Pledged 08/31/23 | Maturity Date of Collateral Pledged | Location of FRB* Holding Collateral |
|--|------------|-----------------|--|--------------------------------|---|---|
| MHAIA | | | | | | |
| TOTAL MHAIA Bank Balances -08/31/23 | | | \$ 11,088,404 | \$ 21,044,377 | | 190% |
| AFM-Subsidiary of MHAIA | | | | | | |
| TOTAL AFM Bank Balances -08/31/23 | | | \$ 6,592,327 | \$ 17,652,659 | | 268% |
| TOTAL MHAIA-AFM Bank Balances -08/31/23 | | | \$ 17,680,731 | \$ 38,697,036 | | 219% |

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

Financial summary:



#

| Volume | Actual-YTD August 31, 2023 | Budget -YTD August 31, 2023 | \$ Change- Act vs Budget | Actual-YTD August 31, 2022 | \$ Change- Act vs PY |
|------------------|-------------------------------|--------------------------------|-----------------------------|-------------------------------|-------------------------|
| Gross | 269,306,613 | 265,819,344 | 3,487,269 | 241,653,949 | 27,652,663 |
| Organic | (9,041,081) | (7,310,032) | (1,731,049) | (6,713,373) | (2,327,708) |
| Re-export | (300,676) | (425,311) | 124,635 | (157,790) | (142,886) |
| Net | 259,964,855 | 258,084,001 | 1,880,854 | 234,782,786 | 25,182,069 |
| % Variance-Gross | | | 1.3% | | 11.4% |
| % Variance-Net | | | 0.7% | | 10.7% |

| Contribution | Actual-YTD August 31, 2023 | Budget -YTD August 31, 2023 | \$ Change- Act vs Budget | Actual-YTD August 31, 2022 | \$ Change- Act vs PY |
|----------------------------------|-------------------------------|--------------------------------|-----------------------------|-------------------------------|-------------------------|
| HAB | \$5,524,253 | \$5,484,285 | 39,968 | \$4,989,134 | \$535,119 |
| APEAM (net) | \$198,448 | \$287,676 | (89,228) | \$185,085 | \$13,363 |
| Other income (Interest) | \$1,471 | \$1,500 | (29) | \$1,195 | \$276 |
| Total contribution/income | \$5,724,172 | \$5,773,461 | (\$49,289) | \$5,175,414 | \$548,759 |
| % Change | | | -0.9% | | 10.6% |
| %Contribution | | | | | |
| HAB | 96.51% | 94.99% | | 96.40% | |
| APEAM | 3.47% | 4.98% | | 3.58% | |
| Interest | 0.03% | 0.03% | | 0.02% | |
| Total | 100.00% | 100.00% | | 100.00% | |

| Change in Net Assets | Actual-YTD August 31, 2023 | Budget -YTD August 31, 2023 | \$ Change- Act vs Budget | Actual-YTD August 31, 2022 | \$ Change- Act vs PY |
|----------------------|-------------------------------|--------------------------------|-----------------------------|-------------------------------|-------------------------|
| Change in Net Assets | (729,166) | (964,881) | 235,715 | (2,647,686) | 1,918,520 |
| Retained Earnings-PY | 11,399,755 | 8,630,685 | 2,769,070 | 8,714,038 | 2,685,718 |
| Total Equity | 10,670,589 | 7,665,804 | 3,004,785 | 6,066,351 | 4,604,238 |

| Spending | Actual-YTD August 31, 2023 | Budget -YTD August 31, 2023 | \$ Change- Act vs Budget | Actual-YTD August 31, 2022 | \$ Change- Act vs PY |
|-------------------------------------|-------------------------------|--------------------------------|-----------------------------|-------------------------------|-------------------------|
| AFM Direct Marketing | \$2,691,233 | \$3,630,303 | -\$939,070 | \$1,265,888 | \$1,425,345 |
| AFM Indirect Marketing | \$950,323 | \$1,104,534 | -\$154,211 | \$959,297 | -\$8,974 |
| AFM Marketing Others | \$2,358,444 | \$1,265,163 | \$1,093,281 | \$5,174,814 | -\$2,816,371 |
| Total AFM Marketing | \$6,000,000 | \$6,000,000 | \$0 | \$7,400,000 | -\$1,400,000 |
| MHAIA Com/ Analytics | \$0 | \$66,712 | -\$66,712 | \$24,588 | \$0 |
| MHAIA Direct Marketing | \$7,840 | \$12,500 | -\$4,660 | \$7,840 | \$0 |
| MHAIA Marketing Admin | \$226,188 | \$349,368 | -\$123,180 | \$185,096 | \$41,093 |
| Total MHAIA Marketing | \$234,028 | \$428,580 | -\$194,552 | \$217,524 | \$41,093 |
| Total General Administrative | \$219,310 | \$309,760 | -\$90,450 | \$205,576 | \$13,734 |
| Total Expenses | \$6,453,338 | \$6,738,340 | -\$285,002 | \$7,823,100 | -\$1,345,173 |
| % Change | | | -4.2% | | -17.19% |
| Cost per pound | \$ 0.02 | \$ 0.03 | | \$ 0.03 | |

| Financial Position | Actual-YTD August 31, 2023 | Budget -YTD August 31, 2023 | \$ Change- Act vs Budget | Actual-YTD August 31, 2022 | \$ Change- Act vs PY |
|---|-------------------------------|--------------------------------|-----------------------------|-------------------------------|-------------------------|
| Cash & Cash Equivalents | \$11,088,404 | 5,923,454 | \$5,164,950 | \$8,776,231 | \$2,312,174 |
| Other Assets (AR/FA) | \$2,888,498 | 3,398,031 | (\$509,533) | \$3,047,402 | (\$158,904) |
| Total Assets | \$13,976,902 | 9,321,485 | \$4,655,417 | \$11,823,633 | \$2,153,269 |
| Total Liabilities | \$3,306,313 | 1,655,681 | \$1,650,632 | \$5,757,281 | (\$2,450,968) |
| Total Equity | \$10,670,589 | 7,665,804 | \$3,004,785 | \$6,066,351 | \$4,604,238 |
| Total Net Assets/Liabilities | \$13,976,902 | 9,321,485 | \$4,655,417 | \$11,823,633 | \$2,153,269 |
| Reserve Goal-15% of FY 24-as of August'23 | \$ 828,638 | \$ 822,643 | \$ 5,995 | \$ 748,370 | \$ 80,268 |
| Budgeted FY 24 Reserve Goal-15% | | \$ 8,117,357 | | | |

Funding Summary:

| Funding allocation | Actual-YTD | | | Ratio-Act-YTD Aug 31'23 | Ratio-Budget- YTD Aug 31'23 | Ratio-PY -YTD Aug 31'22 |
|--------------------------------|-------------------------------|--------------------------------|----------------------|----------------------------|--------------------------------|----------------------------|
| | Actual-YTD August 31, 2023 | Budget -YTD August 31, 2023 | August 31, 2022 | | | |
| MHAIA to AFM | \$ 6,000,000 | \$ 6,000,000 | \$ 7,400,000 | 66.10% | 65.45% | 65.28% |
| APEAM to AFM | 2,212,324 | 2,212,324 | \$ 3,016,666 | 24.37% | 24.13% | 26.61% |
| APEAM to MHAIA | \$ 198,448 | \$ 287,676 | \$ 185,085 | 2.19% | 3.14% | 1.63% |
| APEAM Special Project | \$ 666,667 | \$ 666,667 | \$ 733,333 | 7.34% | 7.27% | 6.47% |
| Total | \$ 9,077,438 | \$ 9,166,667 | \$ 11,335,084 | 100.00% | 100.00% | 100.00% |
| MHAIA Communications/Analytics | - | 66,712 | 24,588 | | 100.00% | |
| Total Funding | \$ 9,077,438 | \$ 9,233,379 | \$ 11,359,672 | | | |



FY22-23 Crop Summary:

HARVEST:

FY23 Actual Harvest-
2.93B Lb, 92% or 2.7B Lb
Mich; 8% or 238M Lb
Jalis.

Loca -22% or 646 M Lb.,
Aventajada/Others 88%

SHIPMENTS:

FY23 Shipments-
2.48B Lb, 93% or 2.3B
Lb Mich; 7% or
179M Lb Jalis.

Sizes: 56.94% (large-
32,36,40,48) ,
41.88% (small
60,70,84)

| Volume in Tons/Pounds at Gross | FY 23 Actual | | | FY 23 Projection | | | Difference (Inc/Dec) | | | FY 22 Actual | | | Difference (Inc/Dec) | | |
|--|------------------|----------------------|--|------------------|----------------------|--|----------------------|--------------------|--------------|------------------|----------------------|--|----------------------|--------------------|--------------|
| | Tons | Pounds | | Tons | Pounds | | Tons | Pounds | % | Tons | Pounds | | Tons | Pounds | % |
| Harvest | | | | | | | | | | | | | | | |
| Michoacan | | | | | | | | | | | | | | | |
| Loca (1st Stage) | 251,378 | 554,193,845 | | 292,140 | 644,058,452 | | (40,762) | (89,864,607) | -14.0% | 229,714 | 506,432,681 | | 21,864 | 47,761,165 | 9.4% |
| Aventajada+Normal+Marzena+Black(2nd stage) | 970,543 | 2,139,680,831 | | 908,466 | 2,002,825,051 | | 62,077 | 136,855,780 | 6.8% | 831,970 | 1,834,179,881 | | 138,573 | 305,500,949 | 16.7% |
| Total Harvest -Michoacan | 1,221,921 | 2,693,874,676 | | 1,200,606 | 2,646,883,503 | | 21,315 | 46,991,173 | 1.8% | 1,061,684 | 2,340,612,562 | | 160,237 | 353,262,114 | 15.1% |
| Jalisco | | | | | | | | | | | | | | | |
| Loca (1st Stage) | 41,431 | 91,340,602 | | 40,137 | 88,487,645 | | 1,294 | 2,852,957 | 3.2% | | | | 41,431 | 91,340,602 | |
| Aventajada+Normal+Marzena+Black(2nd stage) | 66,708 | 147,065,084 | | 71,728 | 158,132,465 | | (5,020) | (11,067,381) | -7.0% | | | | 66,708 | 147,065,084 | |
| Total Harvest -Jalisco | 108,139 | 238,405,686 | | 111,865 | 246,620,109 | | (3,726) | (8,214,424) | -3.3% | - | - | | 108,139 | 238,405,686 | |
| Mexico | | | | | | | | | | | | | | | |
| Loca (1st Stage) | 292,810 | 645,534,447 | | 332,277 | 732,546,097 | | (39,468) | (87,011,650) | -11.9% | 229,714 | 506,432,681 | | 63,096 | 139,101,767 | 27.5% |
| Aventajada+Normal+Marzena+Black(2nd stage) | 1,037,250 | 2,286,745,914 | | 980,194 | 2,160,957,515 | | 57,057 | 125,788,399 | 5.8% | 831,970 | 1,834,179,881 | | 205,280 | 452,566,033 | 24.7% |
| Total Harvest-Mexico | 1,330,060 | 2,932,280,362 | | 1,312,471 | 2,893,503,612 | | 17,589 | 38,776,749 | 1.3% | 1,061,684 | 2,340,612,562 | | 268,376 | 591,667,800 | 25.3% |
| | | | | | | | 17,589 | 38,776,749 | | | | | | | |
| Shipments | | | | | | | | | | | | | | | |
| Michoacan | | | | | | | | | | | | | | | |
| | 1,045,764 | 2,305,514,111 | | 1,032,521 | 2,276,319,812 | | 13,242 | 29,194,299 | 1.3% | 915,750 | 2,018,883,167 | | 130,014 | 286,630,944 | 14.2% |
| % Shipments compared to Harvest | 85.58% | 85.58% | | 86.00% | 86.00% | | -0.42% | -0.42% | | 86.25% | 86.25% | | -6.67% | -6.25% | |
| Jalisco | | | | | | | | | | | | | | | |
| | 81,095 | 178,784,635 | | 85,017 | 187,430,401 | | (3,922) | (8,645,767) | -4.6% | | | | 81,095 | 178,784,635 | |
| % Shipments compared to Harvest | 74.99% | 74.99% | | 76.00% | 76.00% | | -1.01% | -1.01% | | | | | -1.01% | 0.00% | |
| Total Shipments | 1,126,859 | 2,484,298,746 | | 1,117,538 | 2,463,750,214 | | 9,321 | 20,548,532 | 0.8% | 915,750 | 2,018,883,167 | | 211,089 | 465,415,578 | 23.1% |
| % Shipments compared to Harvest | | 84.72% | | | 85.15% | | | -0.43% | | | 86.25% | | | -1.53% | |



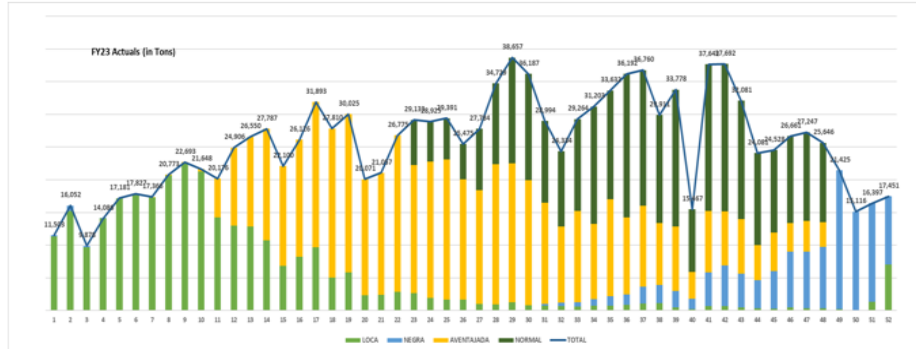
#

Harvest by Type Weekly Trend



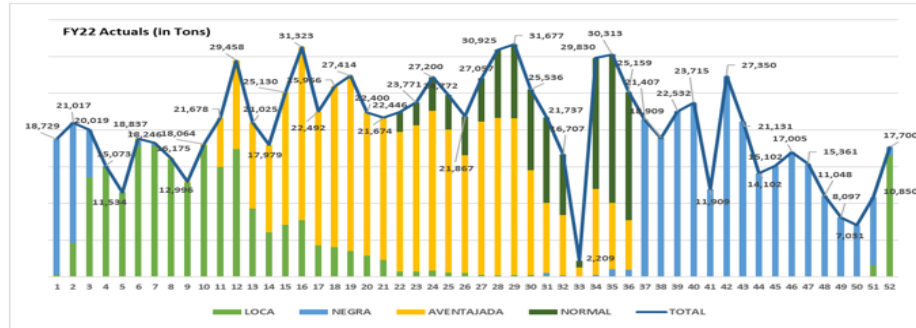
| 2023 | TONS | POUNDS | % |
|--------------|------------------|----------------------|---------------|
| LOCA | 290,810 | 645,534,447 | 22.0% |
| BLACK | 130,917 | 288,622,359 | 9.8% |
| AVENTAJADA | 536,453 | 1,182,668,261 | 40.3% |
| NORMAL | 349,880 | 815,455,295 | 27.8% |
| TOTAL | 1,330,080 | 2,932,280,362 | 100.0% |

5 wks. harvest prior to Big Game 166.4K Tons or 366.7M pounds (wks. 27-31)
 5 wks. harvest prior to Cinco 156.7K Tons or 345.4M pounds (wks. 39-43)

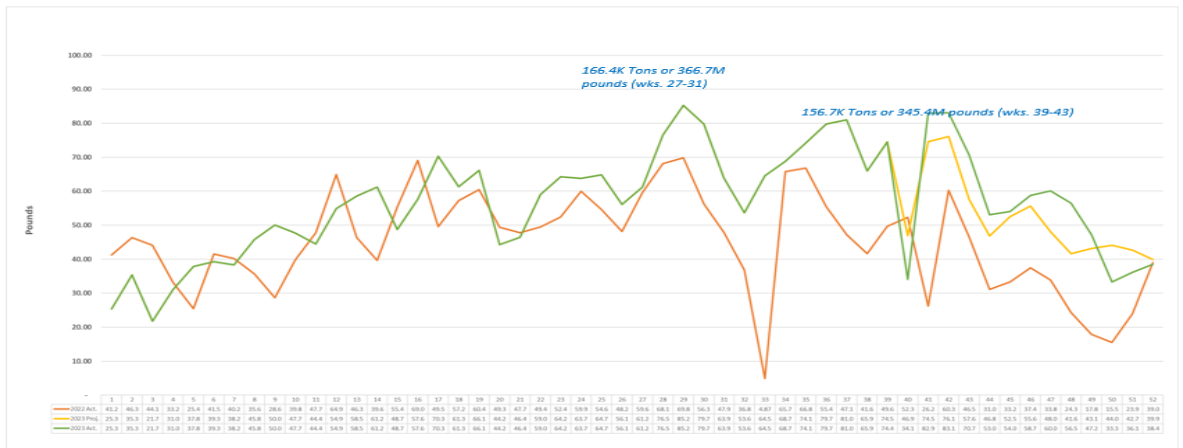


| 2022 | TONS | POUNDS | % |
|--------------|------------------|----------------------|---------------|
| LOCA | 229,714 | 506,432,681 | 21.6% |
| BLACK | 289,801 | 638,901,840 | 27.3% |
| AVENTAJADA | 408,835 | 901,336,889 | 38.5% |
| NORMAL | 133,334 | 293,951,152 | 12.6% |
| TOTAL | 1,061,684 | 2,340,622,562 | 100.0% |

5 wks. harvest prior to Big Game 136.9K Tons or 301.9M pounds (wks. 27-31)
 5 wks. harvest prior to Cinco 106.6K Tons or 235.1M pounds (wks. 39-43)

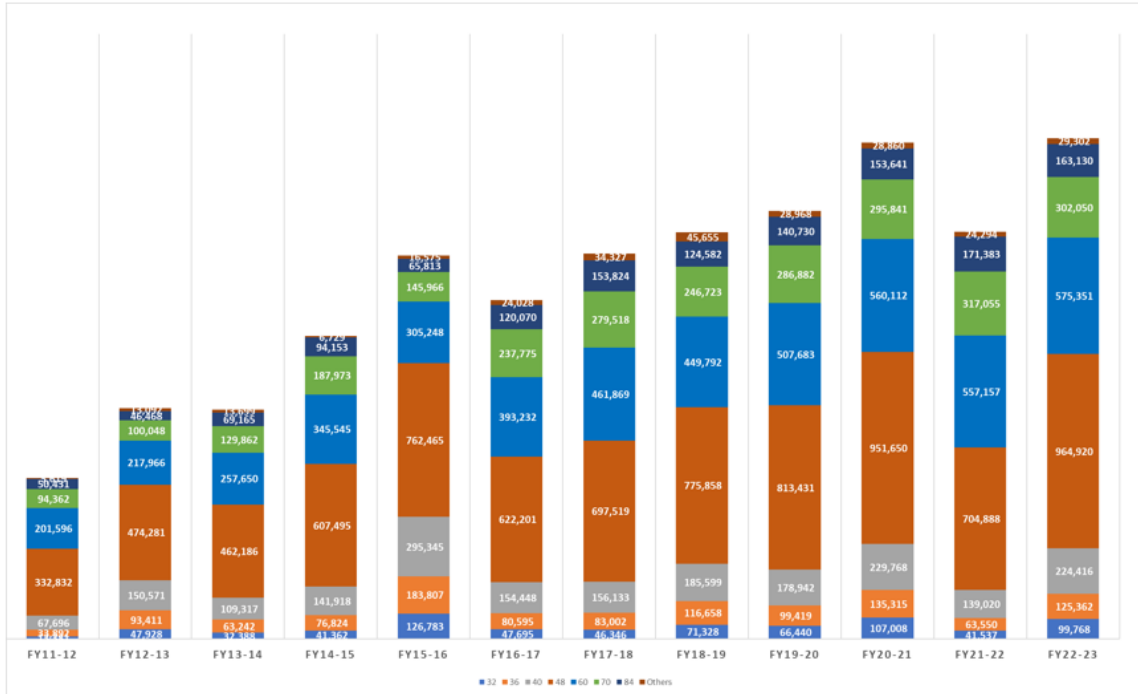


Harvest Weekly Trend (Pounds)

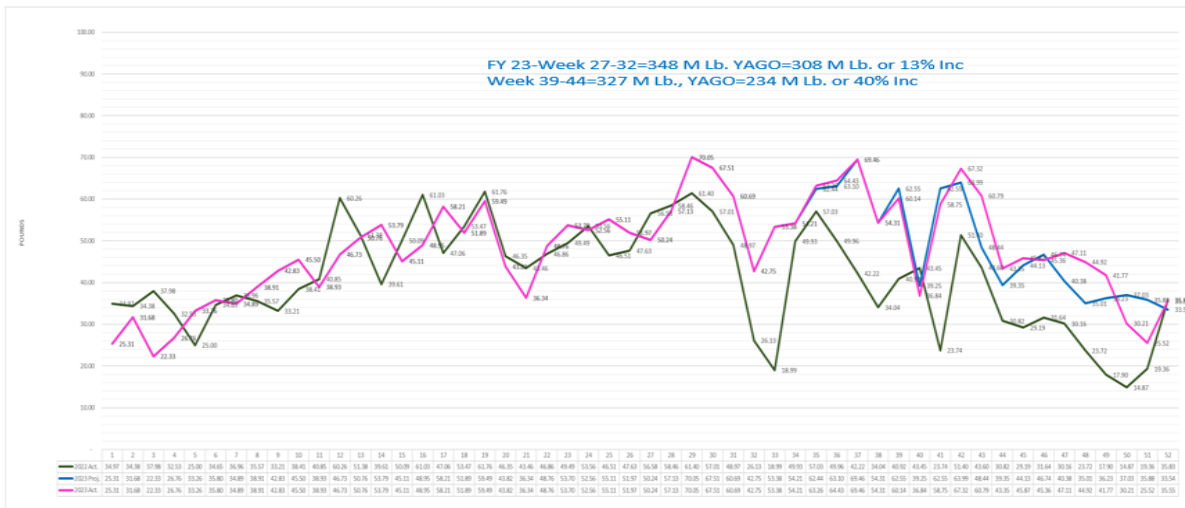




Shipments by Size (Pounds)



Shipments Weekly Trend

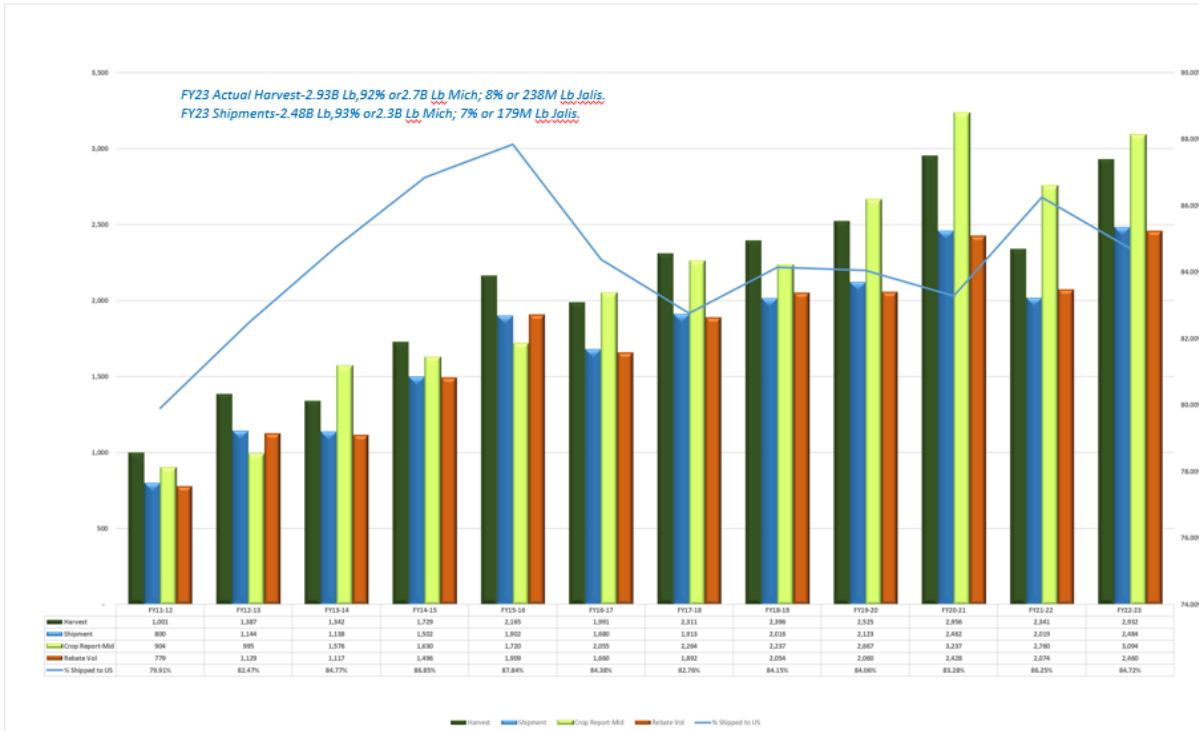




#



Historical Volumes - Harvest, Shipments, Crop Report, and Assessment





FY 24 2nd Stage Crop Summary

- MHAIA at Mid-Level = 1.05M tons or 2.32B Lb, 1.52% inc from FY 23 of 2.29B Lb. Total Aventajada is 80.6% of the year crop estimate of 2.88B Lb. (2.32B Lb. +Loca 559.39M Lb)
 - Samples within 161.23K hectares, in 52.91K orchards across the Michoacan
 - Compared last year, 2.79% inc. in hectares, 3.76% inc. orchards and 1.52% inc. in Volume at Mid-Level
- APEAM, At Mid Level = 1.024M tons or 2.26M Lb, 2.63% dec. from FY 23 of 2.32B Lb. Total Aventajada is 77.33% of the year production of 2.92B Lb (2.26B Lb. +Loca 661.75K Lb)
 - Samples within 176.51K hectares, in 54.2K orchards across the Michoacan and Jalisco
 - Compared last year, 6.8% inc. in hectares, 5.02% inc. orchards and 2.61% inc. in Volume at Mid-Level

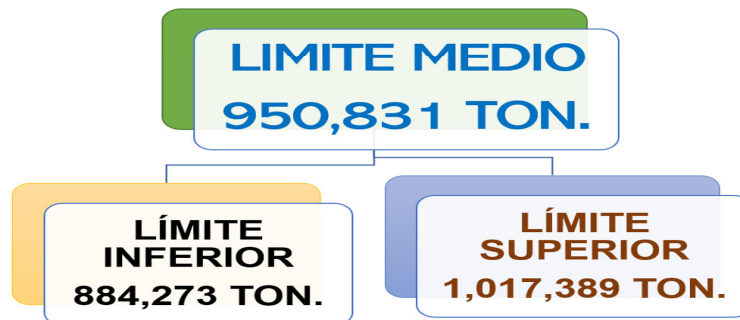
| | Surface | | Volume (Low) | | Volume (Mid) | | Volume (High) | |
|-----------------------------|----------------|---------------|----------------|----------------------|------------------|----------------------|------------------|----------------------|
| | Hectares | Huertos | Tons | Pounds | Tons | Pounds | Tons | Pounds |
| MHAIA-Michoacan | 161,227 | 52,913 | 1,015,013 | 2,237,720,024 | 1,054,004 | 2,323,680,180 | 1,092,994 | 2,409,640,336 |
| APEAM-Michoacan | 160,872 | 52,840 | 884,273 | 1,949,488,258 | 950,831 | 2,096,223,530 | 1,017,389 | 2,242,958,803 |
| APEAM-Jalisco | 15,634 | 1,355 | 65,707 | 144,859,138 | 73,003 | 160,944,065 | 80,308 | 177,048,833 |
| Total APEAM | 176,506 | 54,195 | 949,980 | 2,094,347,397 | 1,023,834 | 2,257,167,596 | 1,097,697 | 2,420,007,636 |
| Difference-Michoacan | 355 | 73 | 130,740 | 288,231,766 | 103,173 | 227,456,650 | 75,605 | 166,681,533 |
| | 0.22% | 0.14% | | | | 10.85% | | |

| FY 2023-2024 | MHAIA | APEAM | Jalisco |
|------------------------------|---------|---------|---------|
| Hectares | 161,227 | 160,872 | 15,634 |
| Huertos/Orchards | 52,913 | 52,840 | 1,355 |
| Ave Trees/HA | 146 | 199 | 346 |
| Ave Trees/HA in Prod | 139 | 167 | 324 |
| Total Ave Yield | | | |
| Tons/Ha | 6.54 | 5.91 | 4.70 |
| Pounds per Acre | 5,833 | 5,271 | 4,166 |
| Samples/Stratum/Orchard-2024 | 200 | 485 | 130 |

Conventional-93%, 7% Organics
 Variety: 57% Mendez-Hass, 39% nd Mendez4%
 15% inc in HA compared to FY10-11 of 139,969 HA
 230% 1.6 B lbs increase in production compared to FY 10-11 of 695 million pounds

Adjusted crop volume by Rafael Herrera:

ESTIMACIÓN DE COSECHA DE FRUTA AVENTAJADA, NORMAL Y MARCEÑA DE AGUACATE HASS EN EL ÁREA CERTIFICADA A U.S.A. EN MICHOACÁN 2023-2024.



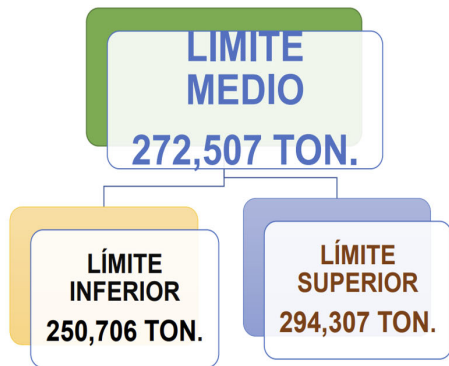
ESTIMACIÓN MICHOACAN FRUTA AVENTAJADA NORMAL MARCEÑA 2023-2024



| ESTRATO | Muestra | SUPERFICIE (HA) | RENDIMIENTO PROMEDIO TON/HA. | LÍMITE INFERIOR TON. | LÍMITE MEDIO TON. | LÍMITE SUPERIOR TON. |
|--------------|------------|-----------------|------------------------------|----------------------|-------------------|----------------------|
| ≤1400 | 27 | 4,280 | 4.5 | 19,502 | 20,970 | 22,438 |
| 1401-1600 | 43 | 10,369 | 7.1 | 74,417 | 80,018 | 85,620 |
| 1601-1800 | 70 | 26,218 | 6.6 | 173,251 | 186,292 | 199,332 |
| 1801-2000 | 93 | 35,927 | 6.2 | 225,575 | 242,554 | 259,533 |
| 2001-2200 | 101 | 42,159 | 5.1 | 217,228 | 233,578 | 249,929 |
| 2201-2400 | 101 | 32,980 | 4.5 | 150,064 | 161,359 | 172,654 |
| >2400 | 50 | 8,993 | 2.7 | 24,236 | 26,060 | 27,884 |
| Total | 485 | 160,926 | 5.3 | 884,273 | 950,831 | 1,017,389 |

ESTIMACIÓN DE COSECHA DE FRUTA LOCA DE AGUACATE HASS EN EL ÁREA CERTIFICADA A U.S.A. EN MICHOACÁN 2023-2024.

ESTIMACIÓN ACTUAL



1ER AJUSTE ESTIMACIÓN F. LOCA MICHOACAN 2023-2024

| LÍMITE INFERIOR TON. | LÍMITE MEDIO TON. | LÍMITE SUPERIOR TON. |
|----------------------|-------------------|----------------------|
| 228,803 | 246,025 | 263,247 |
| -9% | -10% | -11% |

| F. LOCA (CORTES ADELANTADOS) | | |
|------------------------------|-------------------------------------|--------------|
| Sem. 25 | DEL 19 DE JUNIO AL 25 DE JUNIO 2023 | 817 |
| Sem. 26 | DEL 26 DE JUNIO AL 02 DE JULIO 2023 | 5,107 |
| TOTAL | | 5,924 |



1ER AJUSTE ESTIMACIÓN F. LOCA MICHOACAN 23-24

| LÍMITE INFERIOR TON. | LÍMITE MEDIO TON. | LÍMITE SUPERIOR TON. |
|----------------------|-------------------|----------------------|
| 222,879 | 240,101 | 257,323 |



| 1ER AJUSTE MICHOACAN X TIPO DE FRUTA 2023-2024 | | | |
|--|------------------|------------------|------------------|
| FRUTA | L. INFERIOR | L. MEDIO | L. SUPERIOR |
| Loca | 222,879 | 240,101 | 257,323 |
| Av., Normal, Marceña | 884,273 | 950,831 | 1,017,389 |
| Total | 1,107,152 | 1,190,932 | 1,274,712 |



| 1ER AJUSTE MICHOACAN 2023-2024 | | | |
|--------------------------------|----------------|------------------|------------------|
| DATO | L. INFERIOR | L. MEDIO | L. SUPERIOR |
| COSECHAS | 1,107,152 | 1,190,932 | 1,274,712 |
| ENVÍOS | 952,151 | 1,024,202 | 1,096,252 |

| PROYECCIONES ACTUAL MÉXICO 2023-2024 | | | |
|--------------------------------------|-------------|-----------|-------------|
| DATO | L. INFERIOR | L. MEDIO | L. SUPERIOR |
| COSECHAS | 1,320,471 | 1,410,597 | 1,500,723 |
| ENVIOS | 1,114,170 | 1,189,750 | 1,265,330 |

recordemos

| 1ER AJUSTE A LA ESTIMACIONES MX 2023-2024 | | | |
|---|------------------|------------------|------------------|
| DATO | L. INFERIOR | L. MEDIO | L. SUPERIOR |
| COSECHAS | 1,226,918 | 1,324,005 | 1,421,092 |
| ENVÍOS | 1,044,669 | 1,125,869 | 1,207,070 |



Volume impact to Assessments, and Contributions to AFM

Based on the new volume Dolora Sillman presented scenarios of the volume impact to Reserves and to the MHAIA and APEAM contributions to AFM. All volumes presented reflect Loca, Aventajada, and Marcena.

- Qhz #lgxvwg#rwdkduyhwr#51<5E#srxqgv#urp#1#14E#srxqgv#lssuryhg#dlw#P d|#5356# Wkh#dgrxvwg#vk.lsp.hqw#r#517;E#srxqgv#ru#;:17<(#r#kh#wrdkduyhvwg#ixlw#r#eh#



#

vk lsshg#r#k#h#x q lhg#v#d#h#v#R #k#h#r#v#d#k#l#p#h#q#w#<4 (#i#r#p# #I#k#r#d#f#d#q#d#g#g#< (#i#r#p# #M#d#d#f#r#1#Q#h#w#y#r#o#p#h#l#w#5#I#7#4#E#s#r#x#g#g#v#i#

- o Ip sdfw#r#D#v#h#v#p#h#q#w#r#i# 5#k#7#8#P#q#h#j#d#w#y#h#h#h#s#l#j#k#h#U#h#v#h#y#h#d#w#1#8 (#r#u# #':19;P#h#u#g#x#f#w#r#g#r#D#I#P#f#r#q#w#l#e#x#w#r#g#r#i# 4#1#6#8#P#r#<#3#7#N#i#r#p# #K#D#D#d#g#g# #7#8#3#N#i#r#p# #D#S#H#D#P# ,#i#

FY 24 Impact to MHAIA Cash Flow /Reserves



| FY 24 -September 2023Version 2 | FY23 Actual | FY 23 Budget | \$ Change Actual vs. Budget | FY24 Budget- Mid Level-@3.1B Harvest | FY 24- Mid Level- Sep 23 V @2.92B Harvest | \$ Change - Budget vs. Sep 23 V | \$ Change - FY 24 Sep 23 V vs. FY 23 Actual |
|---|---------------|---------------|-----------------------------------|--|---|---------------------------------------|---|
| Volume- Gross (in pound s) | 2,459,848,774 | 2,382,048,211 | 77,800,563 | 2,622,949,762 | 2,482,117,363 | (140,832,399) | 22,269,589 |
| Organics | (6,594,826) | (6,514,954) | (79,872) | (72,131,118) | (69,893,377) | 2,237,742 | (3,946,556) |
| Re-export | (5,140,952) | (3,778,796) | (1,362,156) | (4,196,720) | (3,932,050) | 264,670 | 1,208,902 |
| Net Volume | 2,388,760,996 | 2,313,119,866 | 75,641,130 | 2,546,621,924 | 2,408,291,936 | (138,329,988) | 19,530,940 |
| Operating Revenue and other Support (\$) | \$ 51,709,910 | \$ 50,377,680 | 1,332,229 | \$ 53,525,167 | \$ 53,525,167 | - | 18,6257 |
| Board Contribution | | | | | | | |
| 400001APEAM Board Contribution | 942,307 | 126,588 | (274,292) | 1,587,394 | 1,587,394 | - | 625,088 |
| 400003 HAB Contribution | 50,761,711 | 49,153,797 | 1,607,914 | 54,115,716 | 51,176,204 | (2,939,512) | 4,115,032 |
| Total Board Contribution | 51,703,478 | 50,370,396 | 1,332,082 | 55,683,110 | 52,743,598 | (2,939,512) | 1,040,120 |
| Interest Income | 6,432 | 7,285 | (853) | 9,000 | 9,000 | - | 2,568 |
| Total Operating Revenue | 51,709,910 | 50,377,680 | 1,332,229 | 55,692,110 | 52,752,598 | (2,939,512) | 1,042,688 |
| Marketing | 48,124,433 | 49,267,414 | (1,142,981) | 53,987,087 | 54,487,087 | 500,000 | 6,362,654 |
| AFM Marketing | 46,899,786 | 47,545,142 | (645,356) | 51,183,467 | 51,183,467 | - | 4,283,681 |
| MHAIA Communications and Analytics | 101,961 | 230,539 | (128,578) | 408,186 | 408,186 | - | 306,225 |
| MHAIA Marketing | 1,122,686 | 1,491,737 | (369,051) | 2,395,434 | 2,895,434 | 500,000 | 1,772,748 |
| Administrative Expenses | 941,464 | 1,194,417 | (252,953) | 1,508,426 | 1,508,426 | - | 566,962 |
| Total Expenses | 49,065,897 | 50,461,831 | (1,395,934) | 55,495,513 | 55,995,513 | 500,000 | 6,929,616 |
| Net Change in Assets | 2,644,013 | (84,149) | 2,728,162 | 19,697 | (3,242,915) | | |
| Adjustments to reconcile change in net assets to net cash/movement in Working Capital | (888,115) | 413,866 | (1,281,982) | 495,642 | 495,642 | - | 1,363,758 |
| Net Inc/(Dec) in Cash and Cash Equivale | 1,775,897 | 329,717 | 1,446,180 | 692,239 | (2,747,273) | (3,439,512) | (4,923,701) |
| Cash and Cash Equivalents, Beginning of period | 7,743,214 | 7,743,214 | - | 8,072,930 | 9,519,111 | 1,446,180 | 1,775,897 |
| Cash and Cash Equivalents, End of period | \$ 9,519,111 | \$ 8,072,930 | 1,446,180 | \$ 8,765,170 | \$ 6,771,838 | (1,993,332) | (2,747,273) |
| % Ratio to Assessment From HA | 15.03% | 16.42% | (0) | 16.20% | 13.23% | (0) | (0) |
| Amount to Achieve 15% Reserve | \$ 7,614,176 | \$ 7,373,070 | 241,106 | \$ 8,117,357 | \$ 7,676,431 | (440,927) | 62,255 |
| Excess Cash | \$ 1,904,935 | \$ 699,861 | 1,205,074 | \$ 647,812 | \$ (904,592) | | |

Upon conclusion of the treasurers / Crop Report, Antonio Villaseñor motioned to approve the reports as presented. The motion was seconded by Jon Ulrich without objection.

Seating of New Board / Election of Officers

After counting the ballots from the 1st election run-off, the tally determined that there was a three-way tie for the final importer director seats. The 1st run-off ballot tally summary schedule, in descending order by vote count, was provided to MHAIA. Thus, a run-off election was held on August 5, 2023 to determine which member candidates would fill the two final director seats. A notice and run-off ballot was sent to all the members informing them of the tie and requesting that they vote for the final two director seats by the 2nd run-off election deadline of August 18, 2023.

The 2nd run-off ballot tally summary schedule, in descending order by vote count, was provided to MHAIA management. Results of the top candidates with the highest total number of votes were as follows:



Final Elected Importer Directors:

Gary Caloroso-Giumarra

Jose Pardo–Westfalia Fruit

Final Elected Importer Director Alternates:

Gahl Crane-EcoFarms

Peter Shore-Calavo

In addition, APEAM held a separate process to appoint growers and packers to the new board

For the Packers Jaime Rivas was appointed as Director and his alternate will be Augustine del Rio.

For the growers, Joel Gonzalez Magaña was appointed as a Director and his alternate will be Enrique Caballero

Therefore the 2023 /24 MHAIA Board of Directors is below.

Board of Directors 2023/24:

| Growers / Packers | | Term Expires |
|-------------------------------------|----------|--------------|
| Ricardo Vega Perez | Director | 2024 |
| Antonio Villasenor Zurita | Alt | 2024 |
| Antonio Ortiz Gonzalez (Vice-Chair) | Director | 2024 |
| Juan Pablo Figueroa Cejudo | Alt | 2024 |
| Jaime Rivas Jr. (Chairman) | Director | 2025 |
| Augustin del Rio | Alt | 2025 |
| Joel Gonzalez Magaña | Director | 2025 |
| Enrique Caballero | Alt | 2025 |
| Importers | | Term Expires |
| Jon Ullrich (Secretary) | Director | 2024 |
| Elizabeth Ayala | Alt | 2024 |
| Jacqueline Solares* | Director | 2024 |
| Gwen Jackimek | Alt | 2024 |
| Gary Caloroso (Treasurer) | Director | 2025 |
| Gahl Crane | Alt | 2025 |
| Jose Pardo | Director | 2025 |
| Peter Shore | Alt | 2025 |



Election of vacant officer seats.

Gary's term as Chair and Jimmy's term as Treasurer have expired. In the spirit of fairness, officer positions normally alternate between Mexico and the United States.

Therefore, Antonio Villaseñor nominated Jaime Rivas to be Chairman and the nomination was seconded by Gary Caloroso.

In addition, Jon Ullrich nominated Gary Caloroso to be Treasurer and the nomination was seconded by Jaime Rivas.

*Note: Since this election, Importer Director Jacquelin Solares resigned from the Board so her alternate Gwen Jackimek assumed that seat and Jorge Hernandez, who had next highest vote count in the election will be her alternate.

Appointments:

APEAM Chairman Julio Shagun appointed himself to represent MHAIA on the Hass Avocado Committee and asked Gwen Jackimek to be his alternate.

Regarding the marketing representatives on the AFM Board, Chairman Shagun appointed Ricardo Vega and Chairman Rivas appointed Peter Shore. Therefore, the AFM Board will be:

Jaime Rivas
Julio Shagun
Gary Caloroso
Rigoberto Lemus
Peter Shore
Ricardo Vega
Armando Lopez (ex-officio)
Ron Campbell (ex-officio)

11:15 Cambridge Group Presentation;

Executives from the Cambridge group presented the ground work for an initiative to develop a five-year strategic plan for the future of MHAIA.

New Business and Public Comment:

The next set of meetings will be February 20-21/24

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



Respectfully Submitted,

Ron Campbell, MHAIA Executive Director

I certify that the above is a true and accurate statement of the May 25, 2023, MHAIA Board of Directors Meeting.

Jon Ullrich, MHAIA Board Secretary