



**Mexican Hass Avocado Importers Association**  
**Board Meeting Minutes**  
**May 19, 2020**

**Place**

Zoom Meeting

**Time:** 1:00 PM – 3:00 PM CDT

**Board of Directors:**

Growers / Packers		Term Expires
Gabriel Villaseñor (Chairman)	Director	2020
Jaime Rivas Campbell	Alt	2020
Adrian Iturbide	Director	2020
Jorge Vallejo Esquivel	Alt	2020
David Ruiz Vega (Vice Chair)	Director	2021
Gustavo Rivas Benitez	Alt	2021
Ivon Alejandro Oseguera Quintero	Director	2021
Jesus Domingo Calderon Urbina	Alt	2021

Importers		Term Expires
Jon Ulrich	Director	2020
Giovanni Cavaletto	Alt	2020
Jorge Hernandez (Secretary)	Director	2020
Rigo Perez	Alt	2020
Aaron Acosta	Director	2021
Gahl Crane	Alt	2021
Gary Caloroso (Treasurer)	Director	2021
Peter Shore	Alt	2021

**AMS:** \_\_\_\_\_  
Vicky Carpenter

**Officially Present:** \_\_\_\_\_  
Armando Lopez  
Dolora Sillman  
Miguel Barcenas  
Ron Campbell  
Alvaro Luque

Kevin Hamilton  
Stephanie Bazan  
Ivonne Kinser  
Stephanie Browder  
Kevin Brosch  
Maura Morales  
Miguel Molina  
Becky Estrada  
Brad Barker



## **Members**

Jim Donovan

Jose Luis Gallardo

## **Guests:**

Emiliano Escobedo

### Meeting Convenes:

Chairman Gabriel Villaseñor 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. Jorge Hernandez motioned to approve the minutes which was seconded by Aaron Acosta. The motion passed without objection.

Treasurer Gary Caloroso introduced Dolora to provide the Treasurers report.

**Cash Balances**, the consolidated cash balances of MHAIA and its subsidiary the AFM as of May 17,2020 is \$13,690,058.

**Collateralization of Funds as of February 29,2020**, the MHAIA and AFM total cash of \$21,198,324.55 were fully collateralized at \$24,033,365.01,

- **YTD April Financial Summary**
  - FY 20 estimated net volume of 1.65 billion as compared to budget of 1.72 billion pounds, lower by 4% or 65.52 million pounds.
  - Total revenue is \$35.68 million as compared to plan of \$37.28 million, the unfavorable variance was primarily due to lower volume.
  - Total spending is \$38.70M as compared to plan of \$40.81M, the favorable variance was due to the unrealized spending due to Covid 19.
  - Net change is assets of \$3.03M negative as compared to pan of \$3.53M negative
  
- **MHAIA proposed FY 21 Budget and Cash reserves**
  - The total projected volume of 2.1 billion pounds; 2.04 billion pounds net of organic and re-exported avocados at 2.75% and 0.11%, respectively. The 2.04 billion pounds is 2.0% higher than the last fiscal year estimated volume.
  
  - The net assessment from HAB is \$43.35M. MHAIA is also projecting to receive a net contribution from APEAM in the amount of \$985.97K to pay for administrative support services. This administrative support is part of the 1/3 contribution of APEAM to AFM, as described on a revised memorandum of understanding between APEAM and AFM. Total interest income for the fiscal year is estimated at \$20.0K.



- Total Spending-\$47.65M, total marketing \$46.65M and total administrative \$1.0M.
  - MHAIA 2/3 share to AFM marketing spending. The total estimated funds requirement of AFM is \$67.63 or 9.4% higher than the prior year of \$61.83M. The 2/3 portion of MHAIA or \$45.09M must be spent 100% on marketing expenses such as consumer branding, digital, food service, market development, trade support, crises management, and marketing administrative expenses.
  - The \$404.79K MHAIA Communication and Analytics expertise is a 100% contribution to AFM to pay for the payroll and related expenses for two additional personnel.
  - \$1.16M MHAIA-marketing and promotional expenses, includes public relations/sustainability programs, trade events, web hosting, AMS program fees, crop reporting, executive director contract fee, strategic consulting fee, and out of pocket expenses.
  - The gross MHAIA administrative expenses are \$1.00M. The net funding requirement from APEAM is \$985.97K. The difference in net funding requirement is due to non-cash depreciation of fixed assets, prepaid dues and subscriptions for SAP and planning systems, and adding the new capital expenditures and renewal of dues and subscriptions. Total administration support will be part of the 1/3 funds of AFM-APEAM. This covers the bank service charges, finance director contract and expenses, professional fees, legal fees, insurance, tax/audit and election fees, finance system user fee, and out of pocket expenses.
- Change in Net assets
  - \$3.30M negative, due to higher total spending versus assessments.
- Financial positions
  - Total Assets and liabilities and equity - \$9.76M as compared to FY 20 of \$12.58M. The estimated cash at the end of the FY 21 is estimated at \$6.50M or 15% of the total assessment as compared FY 20 of \$9.45 M or 22.25% of the assessment.



Following the treasurers report Ron and Dolora discussed the historical crop report volumes.

Year	Medium Range Estimate Lbs.	Medium Range Estimate Tons	Total Acres	Total Hectares	Pounds / Acre	Tons / Hectare	Percent Shipped
2014 Loca	217,869,626	98,824					
2014-2015 First Stage	1,412,579,420	640,735	213,313	86,325	6,622	7.42	
2014-2015 Second Stage	935,016,609	424,116	220,947	89,414	4,232	4.74	
<b>2014-2015 Total Estimated Volume</b>	<b>1,630,449,046</b>	<b>739,559</b>					
<b>2014-2015 Actual Seasonal Volume</b>	<b>1,496,145,592</b>	<b>678,640</b>					91.76%
<i>Actual shipment -Perspectivas</i>	<i>1,515,888,801</i>	<i>687,596</i>					92.97%
2015 Loca	433,426,536	178,915	220,951	89,416	1,785	2.00	
2015-2016 First Stage	1,286,747,420	583,659	243,468	98,528	5,285	5.92	
2015-2016 Second Stage	730,029,380	331,136	255,174	103,265	2,861	3.21	
<b>2015-2016 Total Estimated Volume</b>	<b>1,720,173,956</b>	<b>780,258</b>					
<b>2015-2016 Actual Seasonal Volume</b>	<b>1,909,384,558</b>	<b>866,082</b>					111.00%
<i>Actual shipment -Perspectivas</i>	<i>1,911,073,403</i>	<i>866,848</i>					111.10%
2016 Loca	495,683,434	224,838	274,234	110,978	1,808	2.03	
2016-2017 First Stage	1,558,925,982	707,118	274,234	110,978	5,685	6.37	
2016-2017 Second Stage	1,326,654,789	601,760	285,228	115,428	4,651	5.21	
<b>2016-2017 Third Stage</b>	<b>892,932,150</b>	<b>405,027</b>	<b>285,228</b>	<b>115,428</b>	<b>3,131</b>	<b>3.51</b>	
<b>2016-2017 Total Estimated Volume</b>	<b>2,054,609,416</b>	<b>931,955</b>					
<b>2016-2017 Actual Seasonal Volume</b>	<b>1,660,330,777</b>	<b>753,113</b>					80.81%
<i>Actual shipment -Perspectivas</i>	<i>1,874,091,732</i>	<i>850,074</i>					91.21%
2017 Loca	479,534,263	217,513	300,862	121,755	1,594	1.79	
2017-2018 First Stage	1,784,074,982	809,243	300,994	121,808	5,927	6.64	
2017-2018 Second Stage	1,047,527,563	475,151	313,808	126,994	3,338	3.74	
<b>2017-2018 Total Estimated Volume</b>	<b>2,263,609,246</b>	<b>1,026,756</b>					
<b>2017-2018 Actual Seasonal Volume</b>	<b>1,892,289,093</b>	<b>858,328</b>					83.60%
<i>Actual shipment -Perspectivas</i>	<i>1,915,942,409</i>	<i>869,057</i>					84.64%
2018 Loca	354,662,364	160,872	327,586	132,569	1,083	1.21	
2018-2019 First Stage	1,882,179,433	853,742	327,586	132,569	5,746	6.44	
2018-2019 Second Stage	1,231,011,492	558,377	332,238	134,452	3,705	4.15	
<b>2018-2019 Total Estimated Volume</b>	<b>2,236,841,797</b>	<b>1,014,614</b>					
<b>2018-2019 Actual Seasonal Volume</b>	<b>2,053,901,354</b>	<b>931,634</b>					91.82%
<i>Actual shipment -Perspectivas</i>	<i>2,016,196,849</i>	<i>914,532</i>					90.14%
2019 Loca	434,609,903	197,136	340,459	137,779	1,277	1.43	
2019-2020 First Stage	2,232,531,127	1,012,659	340,110	137,638	6,564	7.36	
2019-2020 Second Stage (Black Fruit)	1,267,686,359	575,013	347,449	140,607	3,649	4.09	
2019-2020 Third Stage (Crazy Fruit)	586,048,239	265,827	347,449	140,607	1,687	1.86	
<b>2019-2020 Total Estimated Volume</b>	<b>2,667,141,030</b>	<b>1,209,795</b>					
<b>2019-2020 Act. Seasonal Vol-5/10/20</b>	<b>1,789,418,190</b>	<b>811,666</b>					67.09%
<i>Act shipment -Prespectivas 5/10/20</i>	<i>1,866,891,056</i>	<i>846,808</i>					70.00%

Over the past five years, Jasso has shown impressive accuracy and the board encouraged MHAIA to continue to budget for his work. Jon Ullrich from Henry avocado mentioned that he has been very impressed with his work and Chairman Gabriel Villaseñor said that it's important to have an independent, impartial voice that does not come from either sector. Therefore, MHAIA will budget for the Jasso crop report during the 2020-21 fiscal year.

MHAIA reforestation efforts:

The 2019 trees were planted at the following project areas and communities:

**Monarch Butterfly Overwintering Area:**

- Comunidad Indígena Carpinteros - Zitácuaro.....20,000



- Senguio.....45,000
- Comunidad Indígena Laguna Verde.....30,000
- Comunidad Indígena Turicato.....5,000

**Total: 100,000**

Highland Lakes Area (Lakes Patzcuaro and Zirahuén watersheds):

- Ejido Auga Verde.....2,500
- Comunidad Indígena Huecorio.....23,000
- Ejido Zirahuén.....200
- Zinapécuaro.....3,000
- Comunidad Municipio Tacámbaro.....15,000
- Ario de Rosales.....30,000
- Comunidad Indígena Turicuaro.....20,000
- Ejido Hervidero y Plancha.....6,300

**Total: 100,000**

The 2020 transportation and planting of trees is anticipated to begin in late June but could change due to the COVID-19 pandemic.

MHAIA has budgeted \$100,000 for this last phase of the project to reach its goal of 1 million trees planted by the end of next year. After an evaluation of the program, MHAIA will decide on continuation in conjunction with APEAM.

Center for Produce Safety:

The Center for Produce Safety (CPS) is a 501(c)(3), U.S. tax-exempt, charitable organization focused exclusively on providing the produce industry and government with open access to the actionable information needed to continually enhance the safety of produce. CPF is seeking \$100,000 to continue its research. However, at this time, AMS does not agree that this type of food safety research should be funded with assessment revenue, therefore, if the MHAIA Board is inclined to move this forward it will have to be done with APEAM funds. When asked if APEAM saw this as a good use of their dollars, Armando Lopez and Jose Luis Gallardo stated that APEAM would consider funding research that supports the Mexican avocado industry. Nevertheless, MHAIA will earmark \$100K for the project in the event there is a possibility to engage CPS. The issue is pending for more discussion during the next MHAIA meeting.

Financial Auditor: A proposal was presented by Gruber and Associates to continue our financial auditing and election monitoring. The board agreed to continue with their services.

Elections: Ron noted that the election will begin in June. Voting begins in July and results will be in August.

Covid 19 and CBP: The 90-day period implemented by CBP to delay assessment payments has been completed and the avocado industry was not negatively impacted..

Motion: Jorge Hernandez motioned to approved the MHAIA budget that includes funding for the AFM administration and marketing plan recommended by the JEC, MHAIA administration,



\$100,000 for Forests for Monarchs, fees for the Financial Auditor, fees for crop reporting, and \$100,000 earmarked for the Center for Produce Safety for potential food safety research. The motion was seconded by Jaime Rivas Campbell and passed without objection.

Next Meeting: September 15 and 16 were the agreed upon dates for the Annual meetings.

Executive Session to discuss employee compensation: The board motioned to approve bonuses for Ron and Dolora but delay fee increases due to Covid 19 uncertainty.

There being no additional new business, David motioned to adjourn which was seconded by Jorge.

Respectfully Submitted,

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Ron Campbell, MHAIA Executive Director

I certify that the above is a true and accurate statement of the March 4, 2020, MHAIA Board of Directors Meeting.

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Jorge Hernandez, MHAIA Board Secretary