



Mexican Hass Avocado Importers Association
Board Meeting Minutes
February 14, 2018

Place

AFM Headquarters
Culinary Center
Las Colinas, Texas

Time: 8:00 AM – 4:00 PM

Board of Directors:

Growers / Packers		Term Expires
David Ruiz Vega	Director	2019
Marco Antonio Hernandez	Alt	2019
Carlos Genel (Treasurer)	Director	2019
Jose Alfredo Hernandez	Alt	2019
Gabriel Villaseñor (Secretary)	Director	2018
Jamie Rivas	Alt	2018
Mauricio Gonzalez	Director	2018
Fernando Torres	Alt	2018
Importers		Term Expires
Mike Browne (Chairman)	Director	2019
Gary Calaroso	Alt	2019
Aaron Acosta	Director	2019
Gahl Crane	Alt	2019
Jorge Hernandez (Vice Chair)	Director	2018
Robb Bertels	Alt	2018
Jon Ulrich	Director	2018
Giovanni Cavaletto	Alt	2018

AMS: _____

Vicky Carpenter
Hakim Fobia

Officially Present: _____

Armando Lopez	Kevin Hamilton
Ramon Paz	Mark Garcia
Dolora Sillman	Stephanie Bazan
Ron Campbell	Miguel Molina
Alvaro Luque	Ivonne Kinser
Kevin Brosch	Becky Estrada
Stephanie Browder	
Maggie Hall	



Members

Adrian Iturbide
Elizabeth Ayala
Stephan Fink

Russell Faulks
Luke Sears

Guests:

Molly Harrigan
Jose Luis Alvarez

Ed Rashin

Megan Fulton

At 8:00 AM Chairman Mike Browne called the 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 September 19, 2017 board meeting minutes. Jorge Hernandez motioned to approve the minutes which was seconded by Mauricio Gonzalez. The motion passed without objection.

Treasurers Report:

Mike introduced Carlos Genel and Dolora Sillman to present the MHAIA Treasurers report and current financial position. Dolora also explained the banking procedures for new members and guests.

Treasurers report				
	MHAIA		AFM	
Cash Balances total as of Feb 9,2018	7,859,672		\$ 2,067,027	
Financial Summary				
Statement of Financial Position as of Jan 2018				
	AFM as of Jan 2018	FY-Budget	AFM as of Jan 2018	FY-Budget
Net Volume	965,672,962	1,841,000,000		
Contributions:				
MHAIA			16,391,340	34,461,798
APEAM	367,168	458,520	7,876,970	16,772,379
APEAM Market Reporting			136,918	233,658
HAB	20,520,525	39,123,375		
Total Contribution	20,887,693	39,581,895	24,405,228	51,467,835
Interest Income	3,159	7,800	1,843	6,000
Spending				
AFM Marketing	16,391,340	34,461,799	18,612,003	43,398,000
AFM marketing Admin			3,000,216	5,595,171
Market reporting			129,447	233,658
MHAIA Marketing	266,125	1,391,300		
Administrative Expenses	337,491	453,840	1,321,433	2,358,206
Total Spending	16,994,956	36,306,939	23,063,099	51,585,035
Change in net assets	3,895,896	3,282,756	1,343,972	(111,200)
Assets and Liabilities	12,552,111		\$ 5,950,598	
Cash and Cash Equivalents	7,859,672		3,879,333	



Crop Report:

A discussion took place regarding the current crop report and budget review. It appears that there will be a lot of fruit in the coming months but mostly small sizes and the amount of #2's are expected to increase the more time the fruit stays on the tree. Category two fruit could equal 18-21%; however, dry matter is running over 30% and as high as 35%. Nevertheless, the growers in the room agreed with the volume number in the Jasso crop report.

Therefore, based upon this discussion and the recommendation from the JEC the previous day, Carlos Genel motioned to use the excess funds and increase the MHAIA budget by adding \$1.5 million in spending. The motion was seconded by Jorge Hernandez. All members were in favor.

State of the Economy:

Alvaro introduced Arjun Chakravarti from the Illinois Institute of Technology Stuart School of Business to provide his opinion on the State of the Economy.

State of Food Service:

Joe Pawlak from Technomic provide a report on the current state of Food Service

Both presentations can be made available upon request.

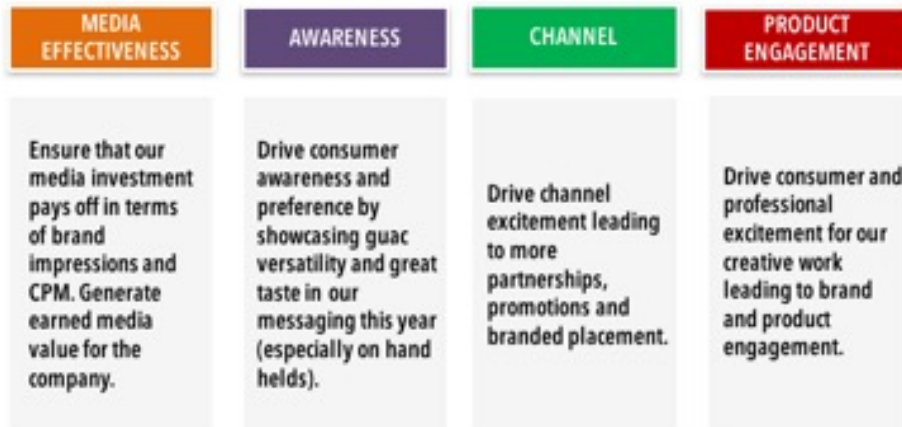
Monarch Butterfly:

Jose Luis Alvarez from the Cruz Habitat Protection Project made a plea for continued support from MHAIA. Because the Board had already agreed to set aside \$500K over five years for the reforestation campaign during the 2017 February board meeting, there was no objection to continue that support.

Marketing Update and Super Bowl 2018 Results:

Kevin Hamilton and Ivonne Kinser presented the results for our Super Bowl campaign GuacWorld:

- Super Bowl company goals:



- Our story: This year we focused on the **versatility** of Avocados From Mexico and guacamole. Showcasing how they go well on almost anything (especially handhelds) and it's a shame to confine them to a bowl.
- Four concepts were tested with consumers through Millward Brown and all of them showed strong potential to breakthrough with higher scores than our previous Super Bowl ads. Guactopia was the best ranked.
- Teaser was released on Jan 24th with great success and on Jan 30th we unveiled our Super Bowl ad in a partnership with CBS with their SB Greatest Commercials show. AFM had an air time of 4,2 minutes in that show with an estimated earned value of \$850,000.
- On Feb 1st we did a Radio Row activation with Tony Gonzalez conducting 21 interviews on site that generated almost 153 million impressions that day for the brand.
- We launched our digital platform Guacworld as a multi experience digital world fueled through emojis thanks to our strategic partnership with the company Inmoji.
- Guacworld campaign was highly successful, with great achievements like:
 - 46,6 million video views (+33% vs YA)
 - 4,5 billion brand impressions (+36% vs YA)
 - 635k site visits (+214% vs YA)
- Guacworld was one of the most successful digital campaigns for the Super Bowl winning first place in Twitter's Bowl, Brand Bowl (online mentions during the game) and finally achieving the first place in the Merkle Report, as the most important digital competition for the Super Bowl.
- On total viewership, the Super Bowl reached 103,4 million homes coming down from the 107 million from the previous year. AFM ad ran in the second quarter, based on Nielsen's recommendation as the most effective quarter. Our spot rating was 41.3.
- Our PR campaign generated 2,1 billion brand impressions, 46% less than previous year, mostly because of the political situation on 2017 that generated a lot of extra news around our brand and category. The estimated value of the earned impressions through PR is between \$27 and \$32 million.
- Thanks to our PR push, we achieved a coverage of +2,000 airings of our ads through regional TV and Cable with an estimated earned value of \$235,000.
- Based on Nielsen's post Super Bowl research, AFM's ad was very well evaluated with all of the main attributes over the SB norm:



- Based on Nielsen’s rankings, AFM ad was number 14 in general, number 11 in Brand Ad Appeal and number 15 in Message Delivery.
- This year we developed and launched our first post-Super Bowl effort using two of the free tickets to the game. The Avo Hair campaign generated 171 million brand impressions.

Mark Garcia present an update on our Foodservice programs including the following:

- New communication campaign for print and digital based on the creative concept of “It’s that easy” to educate chefs and operators on the use and handing of avocados as one of the biggest barriers we have in this industry. Print campaign will be based on native advertising using educational advertorials instead of regular brand ads.
- Updated Foodservice website introducing new videos assets, educational tools and our Culinary Center capabilities.
- Upcoming LTO programs:
 - Feb 2018 Houlihan’s with new avocado menu items.
 - Mar 2018 St. Patty’s promotion with Chilis.
 - Mar 2018 National promotion with Sodexo
 - Apr 2018 roll out of 30 new avocado recipes with Aramark.
 - May 2018 Potbelly avocado upsell for their sandwiches and salads.
 - May 2018 sponsor of HMS’s Airport Restaurant Month included new avocado focused menu items.
 - May 2018 Superfoods Program with Compass.
 - May 2018 Tableside guac program with Omni hotels
 - May 2018 Cinco de Mayo promotion with Jason’s deli
- C&U program continues to grow with new colleges adding menu items or taking merchandising assets to promote avocados. New Avotour is ready to roll out In March including the following universities:



SPRING PROGRAM
University of Houston
Baylor University
University of North Texas
Texas Tech University
University of New Mexico
University of Northern Colorado
Colorado State University
Utah State University
Boise State University
Oregon State University
University of Oregon
Washington State University
University of Washington

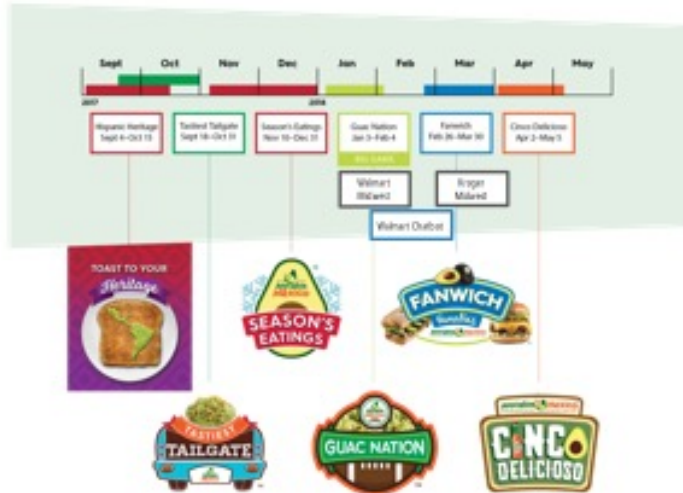
Total Schools: 13
Total Student Enrollment: 386,414

Maggie Bezart presented Burger Bash as the recent successful foodservice distributor program for Super Bowl that included the participation of 8 regional distributors. She also presented our new program for Cinco de Mayo Flavor your Fiesta including Tabasco as a partner.

Mark presented additional foodservice programs that include:

- Launch of our 2018 technique: Sauceabilities 2.0 including printed materials that were mailed to top clients and partners plus a new section in our website.
- New steakhouse program including video, print and digital assets plus an Avo U event with the True Australian Beef and Lamb Board in March.
- 2018 Made in Mexico Tour scheduled in March including top operators like Taco Bell, Chipotle, Google, Zoe's and others.
- Avocado University program is ready to roll and already has some events scheduled for the following months including Waba Grill, Farmer's Fresh, HEB RD's and others.

Stephanie Bazan and her team presented an update on Shopper including our updated promotional calendar:



Stephanie presented the support program for the following two National promotions: Fanwich and Cinco de Mayo and the national sell in of permanent merchandising that included 8,300 units that were distributed for Super Bowl.

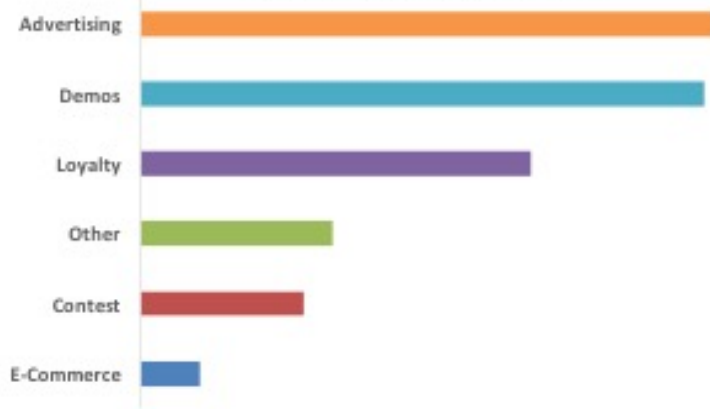
Stephanie also presented some the update on our Midwest program where Walmart will activate 31 stores up to the end of February and Kroger will activate with demos more than 130 stores in March.

Stephanie and Ivonne presented our new program with Walmart using our Chatbot that will activate with branded messages in every store on a national level for 5 weeks between January and February 2018.

Maggie Bezart presented our updated investment plan for Flex Funds and our activation plan for Power Accounts for the following months:



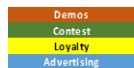
Trade Expenditure \$4.0 mm



Retailer	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Walmart												
Albertsons												
Kroger												
Delhaize												
IGA												
Costco												
Publix												
Sam's Club												
A Hold												
Meijer												
Restaurant Depot												

Restaurant Depot includes Restaurant Depot West, Restaurant Depot Mid West, and Jetro East
 * Free Advertising activation with paid Contests/Demos in Albertsons and with paid Demos in Restaurant Depot

Source: *SmartSheet updated thru 02/06/18 for FY17 - 18

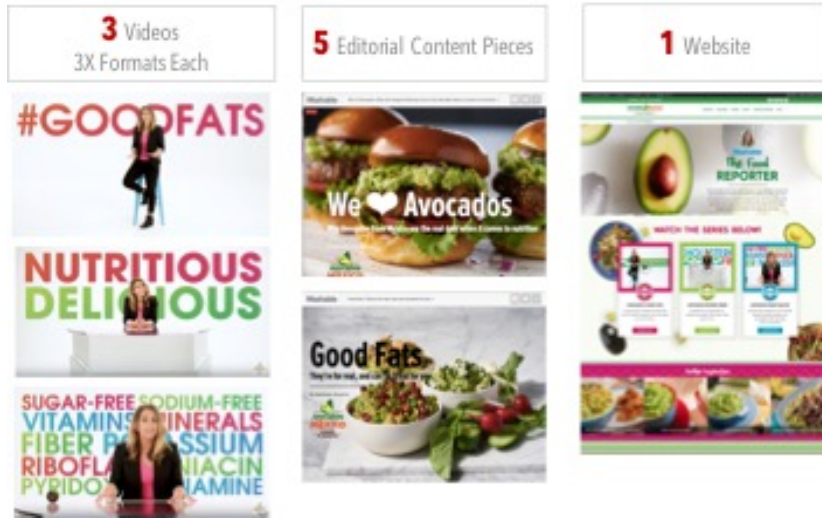


Maggie presented our new Social responsibility program as a sponsor of Brighter Bites. The program is now supporting more than 30,000 families in Houston, Dallas, Austin and New York. Our partnership includes two avocado events that will include fruit and branded materials reaching more than 18,000 families.



Ivonne Kinser presented a digital update on two key projects:

- Avocadoland: it is or most successful project after the Super Bowl campaigns. So far it has generated 72% of the site traffic since launch adding up to more than 4 billion brand impressions. We will start working on an evergreen program for Avocadoland in the following fiscal year to keep supporting this highly successful initiative.
- Mashable new partnership for health & wellness including:



Stephanie Bazan closed the meeting presenting the new Hispanic campaign ad: Divine and Good Fortune.

New Business:

The Board agreed to May 15 & 16 as dates for the next board meeting.

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

Respectfully Submitted,

Ron Campbell, MHAIA Executive Director

I certify that the above is a true and accurate statement of the February 14, 2018, MHAIA Board of Directors Meeting.

Gabriel Villaseñor, MHAIA Board Secretary