



Mexican Hass Avocado Importers Association
Board Meeting Minutes
May 16, 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) (a) | Director | 2019 |
| Jose Alfredo Hernandez | Alt | 2019 |
| Gabriel Villaseñor (Secretary) | Director | 2018 |
| Jamie Rivas (a) | 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 |
| Vacant | Alt | 2018 |
| Jon Ulrich | Director | 2018 |
| Giovanni Cavaletto | Alt | 2018 |

AMS: _____

Vicky Carpenter

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
Antoñio Villasenor

Russell Faulks
Rigo Perez

Ygnacio Valero

Guests:

Megan Fulton
Michael Hamm

John McGuigan

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 February board meeting minutes. Jorge Hernandez motioned to approve the minutes which was seconded by Jon Ullrich. The motion passed without objection.

Treasurers Report and Proposed Budget:

Mike introduced Dolora Sillman to present the MHAIA Treasurers report, current financial position and proposed budget.

Cash Balances as of May 12, 2018

| | MHAIA | AFM | Total |
|---|------------------|------------------|------------------|
| Balances | | | |
| Citizens Business Bank-MHAIA MMKT | \$6,467,452 | \$1,220,943 | \$7,688,396 |
| Citizens Business Bank-APEAM MMKT | | \$504,022 | \$504,022 |
| Citizens Business Bank-Optg. (with OChecks) | \$398 | \$112,345 | \$112,743 |
| AFM Exe MM Account | | \$272,788 | \$272,788 |
| Petty Cash | | \$2,500 | \$2,500 |
| Restricted CD | \$8,062 | | \$8,062 |
| Total | 6,475,912 | 2,112,598 | 8,588,510 |

Notes:

MHAIA Total does not include the April 2018 of \$3.7M and May AP of \$3.9M

Crop Report:

A discussion took place regarding the current crop report and budget review. Although the flor loca crop report is about 100MM lbs. less than last year's estimate, there remains a larger volume of old crop. Therefore, the board agreed that with the additional 10,814 hectares of certified crop, a 1.9 billion lb. crop is achievable for fiscal year 18-19. Nevertheless, when we receive the new crop report for aventajada and normal in October, the board can review these projections and adjust where necessary. Based upon this, David Ruiz motioned to accept the recommendations from the JEC from the previous day and the MHAIA budget and spending package as proposed. The motion was seconded by Aaron Acosta. The motion passed without objection.



MHAIA / AFM Budget and spending package:

| | |
|---------------------|------------------|
| Funding Allocation | |
| MHAIA Contribution | \$39,525,481 |
| APEAM Contribution | \$18,881,466 |
| APEAM to MHAIA | <u>\$881,275</u> |
| Total= | \$59,288,222 |
| APEAM Market Report | <u>\$227,089</u> |
| Total Funding | \$59,515,310 |

| | |
|---------------------|--------------------|
| Spending | |
| AFM Marketing | \$48,803,700 |
| AFM Marketing Admin | \$7,078,704 |
| APEAM Market Report | <u>\$227,089</u> |
| Total Marketing | \$56,109,494 |
| General Admin | <u>\$2,763,544</u> |
| Total Expenses | \$58,873,037 |

Monarch Butterfly and Reforestation Project:

Michael Hamm and Megan Fulton provided the board with a presentation on the biology, life cycle and migratory behavior of the Monarch Butterfly in the United States and Michoacán Mexico. More information can be retrieved at <http://www.forestsformonarchs.org/>

In addition, 200,000 native trees were planted in partnership between La Cruz Habitat Protection Project/Forests for Monarchs (LCHPP/FFM) and the Mexican Hass Avocado Importers Association (MHAIA) during the summer 2017 planting season. 100,000 trees were planted in the Monarch Butterfly Overwintering Area and 100,000 trees were planted in the Highland Lakes Watersheds region.

Preliminary Monitoring Results:

Monitoring work, including site visits to locations where trees were planted in 2017, is ongoing. As of April 30, 2018, we've completed the monitoring site visits at 11 planting sites within 7 communities, comprising 123,500 of the 200,000 trees planted on 96.5 hectares (238 acres) of land.

Strategic Planning:

Alvaro introduced representatives from the Cambridge to provide the board background on the strategy planning project and preliminary findings. (After adjournment of this meeting, the Cambridge Group readdressed the MHAIA board to hold a working session on strategic planning.)

After Lunch, the board reconvened and a discussion final consideration and ratification of the recent by-law changes agreed to during our annual meeting in September 2017. Jon Ullrich



motioned to again, accept the final version of the by-laws and articles of incorporation. The motion was seconded by Jorge Hernandez and passed without objection.

Closed Session:

A closed session regarding health and benefits for MHAIA staff took place. The board agreed to allow Dolora to take part in AFM's benefit plans. Because Ron is an AFM board member, he is not eligible due to prohibitions on compensation for board members.

The board reconvened for new business:

The Board agreed to September 18 & 19 as dates for the next AFM and MHAIA annual meetings.

Ron provided information on proposed amendments to the Farm Bill that would impact Research and Promotion Programs.

There being no additional new business, Jon Ullrich motioned to adjourn, and the motion was seconded by Jorge Hernandez. 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