



**AFM Board Meeting
Minutes
February 9, 2015**

Place:

**AFM Offices
Dallas, Texas**

Participants:

**Adrian Iturbide, Chair
Antonio Villaseñor, Vice Chair
Ed Figueroa, Treasurer
Martin Mendoza, Director
Mike Browne, Director
Ramon Paz, Director
Armando Lopez (ex-officio)
Ron Campbell, Secretary (ex officio)
Veronica Douglas, AMS
Alvaro Luque, President AFM
Arturo Vargas, CFO AFM
Giovanni Cavaletto, MHAIA Director
Dolora Sillman, MHAIA
Kevin Brosch, AFM Legal Counsel
Dr. Javier Trujillo, SAGARPA**

Roll Call and Minutes:

Mr. Campbell took the roll call and established a quorum. Mr. Figueroa motioned to approve the minutes from the September 9, 2014 meeting and Mr. Villaseñor seconded the motion. Unanimous.

Future AFM Board Schedule:

The importance of a regular board-meeting schedule was discussed. The board agreed that monthly AFM update calls and financial statements are still necessary but a regular meeting of the AFM board prior to every MHAIA should be standardized. The Board agreed that the next AFM meeting should take place during the third week of MAY prior to MHAIA's meeting and that future meetings should be

scheduled to take place in Dallas independent of trade shows or events.

Note: Prior to the delivery of the financial statements, Mr. Campbell alerted the participants to the Antitrust Policy located on the reverse side of the agenda.

AFM Financial Position:

Ed Figueroa provided the Treasury Report:

Combined APEAM and MHAIA bank balance in the AFM money market accounts is \$9.6 MM with 436 K worth of outstanding checks in the AFM operating account. Additionally, an explanation of the process was provided.

Mr. Figueroa introduced the new CFO, Arturo Vargas to introduce a set of new policies and procedures to address document retention, document processes, contract management, and external communication. AMS requested full board approval prior to submission to AMS for approval. There was a suggestion for the CFO to meet with the HAB finance people for orientation purposes. Additionally, there was discussion on hiring an accounting clerk to aid the CFO. It was agreed that Alvaro was already given the authority to hire this person. Finally, a request for a summary page that includes all expenditures should be included in the next report.

A motion to accept the Treasurers Report was made by Mike Browne and seconded by Ramon Paz. Unanimous.

Historical Volume Comparison and Five Year Volume Forecast:

Ron Campbell and Dolora Sillman introduced the discussion with an actual volume vs. projected over the past four years with a very conservative scenario for the next five years. Although the crop report is still not available the group agreed that based upon historical volume projections, the top line estimate of 1.43 billion lbs. should be used for budgeting purposes. Unofficial estimates say there is still 350 thousand tons or 770 million lbs. still on the trees and APEAM has already shipped 660 million lbs.

Initiatives to improve crop assumptions for the entire country of Mexico initially targeting proposed new areas were discussed. APEAM is working on a study to look at potential new areas and yields from those areas and is also embarking upon a strategic planning process.

Initial Development of a Five-Year Marketing Plan:

Alvaro Luque presented his proposal to use the, Jim Collins “*Great By Choice*” model to develop a five-year vision. The board was in favor of pursuing this approach.

New Business:

There being no other new business, Mr. Figueroa motioned to adjourn which was seconded by Mr. Paz. All were in favor.

Respectfully Submitted

**Ron Campbell
Secretary AFM**