



**Mexican Hass Avocado Importers Association**  
**Annual Meeting Minutes**  
**May 15, 2019**

**Place**

AFM Headquarters  
Culinary Center  
Las Colinas, Texas

**Time:** 9:00 – 12:00 PM

**Board of Directors:**

**Growers / Packers**

Gabriel Villaseñor (Vice Chair)  
Jaime Rivas Campbell  
Adrian Iturbide  
Jorge Vallejo Esquivel  
David Ruiz Vega  
Gustavo Rivas Benitez  
Carlos Genel (Treasurer)  
Jose Alfredo Hernandez

	Director	2020
	Alt	2020
	Director	2020
	Alt	2020
	Director	2019
	Alt	2019
	Director	2019
	Alt	2019

**Term Expires**

**Importers**

Jon Ulrich  
Giovanni Cavaletto  
Jorge Hernandez (Secretary)  
Rigo Perez  
Mike Browne (Chairman)  
Gary Calaroso  
Aaron Acosta  
Gahl Crane

	Director	2020
	Alt	2020
	Director	2020
	Alt	2020
	Director	2019
	Alt	2019
	Director	2019
	Alt	2019

**Term Expires**

**AMS:** \_\_\_\_\_

Vicky Carpenter

**Officially Present:** \_\_\_\_\_

Armando Lopez  
Dolora Sillman  
Stephanie Bazan  
Ron Campbell  
Alvaro Luque  
Kevin Brosch

Kevin Hamilton  
Alfonso Delgado  
Miguel Molina  
Ivonne Kinser  
Becky Estrada  
Stephanie Browder

Maura Morales  
Casey Evans  
Miguel Barceña



## Members

Jim Donovan  
 Dave Billings  
 Fernando Torres  
 Dave Billings  
 Elizabeth Ayala

Javier Medina  
 Jose Luis Gallardo  
 Rigoberto Lemus  
 Gustavo Rivas

Russell Faulks  
 Jorge Vallero Esquivé  
 Victor Barragan  
 Ramon Paz

## Guests:

Emiliano Escobedo

## Meeting Convened:

Upon conclusion of the AFM meeting, Chairman Mike Browne 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. Mr. Browne requested comments on the May board meeting minutes. Jorge Hernandez motioned to approve the minutes which was seconded by Jon Ullrich. The motion passed without objection.

## Treasurers Report:

Mike introduced Dolora to present the Treasurers Report:

Volume	FY-19-20 Proposed Budget	FY 18-19-Proposed Amended Budget (May 2019)	\$ Change	% Change
Gross	2,000,000,000	2,108,480,205	(108,480,205)	-5.1%
Organic	(55,000,000)	(59,897,495)	4,897,495	-8.2%
Re-export	(800,000)	(871,747)	71,747	-8.2%
<b>Net</b>	<b>1,944,200,000</b>	<b>2,047,710,964</b>	<b>(103,510,964)</b>	<b>-5.1%</b>

  

Contribution	FY-19-20 Proposed Budget	FY 18-19-Proposed Amended Budget (May 2019)	\$ Change	% Change
HAB	\$41,314,250	\$43,513,858	(2,199,608)	-5.1%
APEAM	\$901,054	\$731,349	169,704	23.2%
Other income (Interest)	\$15,600	\$15,007	593	4.0%
<b>Total contribution/income</b>	<b>\$42,230,904</b>	<b>\$44,260,214</b>	<b>(\$2,029,311)</b>	<b>-4.6%</b>
<i>% Change</i>				

  

Change in Net Assets	FY-19-20 Proposed Budget	FY 18-19-Proposed Amended Budget (May 2019)
Change in Net Assets	(3,419,707)	532,685
Retained Earnings-PY	11,188,483	10,655,798
<b>Total Equity</b>	<b>7,768,777</b>	<b>11,188,483</b>

  

Funding Requirement	FY-19-20 Proposed Budget	FY 18-19-Proposed Amended Budget (May 2019)	Ratio-FY 2020	Ratio-FY 2019
MHAIA to AFM	\$ 45,170,000	\$ 41,625,527	66.67%	66.67%
MHAIA (On hold-Reserve for Market Opportunities)	\$ (2,333,333)			
APEAM to AFM	\$ 21,683,946	20,081,414	33.33%	33.33%
APEAM (On hold-Reserve for Market Opportunities)	\$ (1,166,667)			
APEAM to MHAIA	\$ 901,054	\$ 731,349		
<b>Total</b>	<b>\$ 64,255,000</b>	<b>\$ 62,438,291</b>	<b>100%</b>	<b>100%</b>
APEAM Market Reporting	-	172,945		100%
MHAIA Communications/Analytics	405,403			100%
<b>Total Funding</b>	<b>\$ 64,660,403</b>	<b>\$ 62,611,236</b>		

  

Total funding including Reserve	\$ 67,755,000	62,438,291	5,316,709.28	8.52%
APEAM Market Reporting	\$	172,945		
MHAIA				
Communications/Analytics	\$ 405,403			
<b>Total</b>	<b>\$ 68,160,403</b>	<b>\$ 62,611,236</b>	<b>\$ 5,316,709</b>	<b>8.49%</b>

  

Spending	FY-19-20 Proposed Budget	Proposed Amended Budget (May 2019)	\$ Change	% Change
AFM Direct Marketing	\$39,498,208	\$36,516,787	\$2,981,421	8.2%
AFM Marketing Admin/Othe	\$5,671,792	\$5,108,740	\$563,052	11.0%
AFM Marketing (Hold)	-\$2,333,333	\$0	-\$2,333,333	-3333333430.2%
MHAIA Communications/An	\$405,403	\$0	\$405,403	0.0%
MHAIA Direct Marketing	\$220,000	\$315,000	-\$95,000	-30.2%
MHAIA Marketing Admin	\$1,227,755	\$982,591	\$245,164	25.0%
General Admin	\$960,785	\$804,412	\$156,373	19.4%
<b>Total Expenses</b>	<b>\$45,650,610</b>	<b>\$43,727,530</b>	<b>\$1,923,080</b>	<b>4.4%</b>

  

Cost per pound	\$	0.02	\$	0.02
----------------	----	------	----	------

  

Financial Position	FY-19-20 Proposed Budget	FY 18-19- Proposed Amended Budget (May 2019)	\$ Change	% Change
Cash & Cash Equivalents	\$6,225,059	\$9,837,784	-\$3,612,725	-36.7%
Other Assets (AR/FA)	\$3,246,531	\$3,873,240	-\$626,710	-16.2%
<b>Total Assets</b>	<b>\$9,471,590</b>	<b>\$13,711,024</b>	<b>(\$4,239,435)</b>	<b>-30.9%</b>
Total Liabilities	\$1,702,813	\$2,522,541	-\$819,727	-32.5%
Total Equity	\$7,768,777	\$11,188,483	-\$3,419,707	-30.6%
<b>Total Assets/Liabilities</b>	<b>\$9,471,590</b>	<b>\$13,711,024</b>	<b>(\$4,239,435)</b>	<b>-30.9%</b>



The MHAIA Board agreed with the recommendations from the AFM board to remain conservative with our estimates by staying with a 2 billion lb. figure for the coming fiscal year and revisit the numbers in September. Therefore, Jorge Hernandez motioned to approve the 2019-20 budget which was seconded by Jamie Rivas. The motion passed without objection.

#### Crop Report:

A discussion on the crop report from the previous day continued. The MHAIA board agreed with the recommendations from the AFM board to remain conservative regarding the report and revisit our approach in September as the Loca crop is being harvested. In addition, a year on year comparison of the estimate vs. actual was requested.

#### MOU Amendment:

The previous day, the JEC recommended approval to use \$12MM over the course of the next three years (depending on APEAM's cash needs) for construction of the Avocado House in Uruapan. Jaime Rivas motioned to approve the spending according to the previous budget approval (\$3.5MM the current fiscal year, \$3.5MM next fiscal year and the balance to be revisited in terms of payment timing). Gustavo Rivas seconded the motion and all were in favor.

Alvaro presented \$3.5MM in possible spending cuts and funds on hold to cover the \$3.5MM.

Emiliano Escobedo presented HAB activities over the past few years.

Mike Browne provided a statement for the record to show a vote of confidence for the Hass Avocado Board and requested that Ron Campbell draft a letter to the HAB Chairman stating so.

In addition, Gabriel appointed David Ruiz to serve on HAC and Jaime Rivas will be his alternate and Ron will draft a letter to the HAB chairman advising the HAB board of the changes.

Mike suggested that AFM provide our extra PMA expo passes to the HAB board. Alvaro will work on that.

Dolora explained that there will be two upcoming external audits that the board needs to be aware of. The annual financial audit will kick off in July and the AMS three-year audit will take place in November. Carlos Genel motioned to approve Gruber and Associates and Jose Alfredo seconded the motion. All were in favor.

Alvaro and Ron explained the difference between the proposed MHAIA industry affairs and analytics positions and the personnel Alvaro plans on hiring.

Ron advised the board of the upcoming elections. Besides the importer, grower and packer elections the Chairman and the Treasurer positions will also become vacant. All Directors and officers will be seated during the upcoming Annual meeting.



Next Meeting:

The crop report is due during the last week of August and the next meetings are scheduled for September 17&18.

New Business:

FSMA, training manual developed by the Produce Safety Alliance has been published and Mike provided the manual to APEAM. In the future, it is anticipated that APEAM will become the trainer according to the Produce Safety Alliance requirements.

A discussion on the definition a lot during grade inspection took place. Because of the arbitrary nature of the inspection process, Ron and Kevin will sit with AMS Market Inspection to negotiate a standardized process for inspection and fees.

Gary Caloroso proposed July 2<sup>nd</sup> for a live Marketing Committee meeting in McAllen, Texas.

There being no additional new business, Carlos Genel 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 May 15, 2019, MHAIA Board of Directors Meeting.

---

Jorge Hernandez, MHAIA Board Secretary