

**Mexican Hass Avocado Importers Association
Board Meeting Minutes
January 22, 2013**

Place

HAB Headquarters
Irvine, CA

Time: 9:00 am – 3:30 pm

Board of Directors:

DIRECTORS

Adrian Iturbide Mejia - Producer, Mich., Mexico	(p)	Chairman
Giovanni Cavaletto-Index Fresh, Bloomington, CA	(p)	Vice-Chairman
Alfredo Rodriguez Flores – Empacadora Agroexport, Tancitaro	(p)	Secretary
Ed Figueroa- LGS Speciality Sales, Bronx, NY	(p)	Treasurer
Francisco Falconi Pardo - Producer, Mich., Mexico	(a)	
Antonio Villaseñor Zurita- Vifrut, Uruapan, Mexico	(p)	
Mike Browne – Calavo Growers Inc., Santa Paula, CA	(p)	
Gahl Crane – Green Earth Produce, Verona CA	(p)	(Alt for Jimmy Lotufo)

ALTERNATE DIRECTORS

Martin Mendoza Torrez – Producer, Mich. Mexico	(p)	(alt. Adrian Iturbide)
Doug Meyer - West Pack Avocado, Temecula, CA	(a)	(alt. Giovanni Cavaletto)
Sergio Paz - Del Monte Grupo Comercial, Uruapan	(a)	(alt. Alfredo Rodriguez)
Javier Medina – Mevi Avocados, Pharr TX	(p)	(alt. Ed Figueroa)
Carlos Genel – Producer Mich., Mexico	(a)	(alt. Francisco Falconi)
Ricardo Vega – Fiticola Velo, Uruapan, Mexico	(a)	(alt. Antonio Villaseñor)
Phil Henry – Henry Avocado, Escondido, CA	(p)	(alt. Mike Browne)
Gahl Crane – Green Earth Produce, Verona CA	(a)	(alt. Jimmy Lotufo)

AMS: _____
Veronica Douglas

Officially Present: _____
Ron Campbell
Dolora Sillman
Oscar Garma
Marilys Carabello
Ryan Fukuda
Andrea Barrish
Jackie Bohmer
Andrea Barish
Luis Castellanos
Natalia Arias
Tanya Edwards

Members:

Gary Caloroso	Chris Henry	David Ruiz
Sergio Guerrero	Armando Lopez	Mike Nunez

Guests:

Emiliano Escobedo	Gina Widjaja
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At 9:00 AM Adrian took the roll call and established a quorum. He then presented the minutes of the January board meeting. Mike motioned to approve the minutes and the motion was seconded by Alfredo. There was no objection.

Financials:

Ed presented the treasury report.

Cash in Bank balance as of Jan 17, 2013:

Citizens Business Bank- Optg Acct	\$	55,579.41
Citizens Business Bank- MM Acct	\$	4,028,012.15
Merrill Lynch	\$	1,343,576.86
As of Jan 17,2013 Balance	\$	5,427,168.42

Ed also mentioned that the cash balances as of January 17, 2013 are gross of \$887,958.24 in outstanding checks, and January 2013 assessment of \$2.339MM from HAB.

July 2012-June 2013 Estimate:

Summary of activities and changes in Net Assets

- Estimated new volume at 950 million pounds
- Revenue of \$18,870,622 is inclusive of \$20,187,500 assessment from HAB, APEAM contribution of \$202,282 and estimated interest of \$13,000.
- Total marketing expenses of \$22,422,455 or \$21,602,500 marketing and promotional and \$819,955.
- Administrative expenses of \$202,282
- Net change in assets of negative \$2,221,955

The details of marketing and administrative expenses were included as supplementary schedule in the presentation materials.

Summary of Cash Reserves

The cash reserves at the end of June 2013 are estimated at \$5,352,178 or 26.51% of assessment revenue. If using 20% of assessment the reserves are \$4,037,500 or an excess of \$1,314,678. A higher beginning cash reserve of \$7,933,445 has offset the negative result in the change of net assets.

Summary of Financial Position

Total Assets of \$6,989,773- includes cash and cash equivalents of \$5,352,178, an accounts receivable of \$1,437,574, prepaid expenses of \$200,000, and a net fixed assets of \$22.00.

Total Liabilities and Change in Assets of \$6,989,773- includes total liabilities of \$1,159,317, beginning net change assets (retained earnings) of \$8,052,412 and a current net change in assets of negative \$2,221,955.

Mike motioned to accept the treasury report, decrease the reserve to 15% of income and release \$2MM for added promotion. The motion was seconded by Giovanni. There was no objection.

Jackie will convene the Marketing Committee to develop a plan for the extra spend and we will schedule a board conference call in February for approval.

JEC Report:

Adrian introduced Ron to present the report from Joint Executive Committee.

AFM subsidiary:

Ron described the development of both the MOU and the bylaws for AFM including the language regarding separation requested by APEAM. However, because AMS is still in the approval process, he was unable to share them with the board. He expects some decisions from AMS soon and will distribute the draft to the board for approval during the next board conference call in February.

Currently, the structure of the AFM board will be made up of 6 members who currently make up the Joint Executive Committee – 4 voting members and two ex officio members. However, this is still under development and subject to change.

AMS will complete their comments on the bylaws soon and Ron will circulate them prior to the next conference call.

CEO Search:

Currently Mixtec has identified 20 candidates. 15 have been interviewed and they hope to have 4 finalists by February 1. They are looking at senior level trade association executives, produce company executives, marketing executives from consumer product goods, and marketing agency executives. More information will be available during the next conference call. There may be a need to increase the Mixtec budget due to a probable higher compensation package than previously considered.

Crop Report:

There was an additional 3000 hectares certified which required a crop report update. Because this is an added crop report, we will need to add some funds in the budget to cover the added cost. The current budget is high due to a proposed initiative from the last meeting to conduct a crop report in Jalisco. However, we should hold off on Jalisco and use the existing budget dollars to cover the added January report. There will be the normal flor loca report in March. The January report is due February 8.

Mike motioned to reallocate \$50,000 from the existing crop report funds that were previously set aside for Jalisco to pay for this additional report. The motion was seconded by Antonio. There was no objection.

RFP:

The JEC believes that because Brand Engineers designed our brand blue print, it would be appropriate for them to conduct the agency request for proposals. The future agencies will be responsible for consolidating all of MHAIA's and APEAM's programs and focus on cost saving. When the CEO comes on board, he / she will take the lead on the RFP process. BE should contract with APEAM and MHAIA according to the MOU. Mike motioned to add \$50,000 to the MHAIA budget for Brand Engineers to conduct the RFP and the motion was seconded by Ed. There was no objection. APEAM agreed that it was in favor of working with Brand Engineers on the RFP.

Marketing Presentation:

Jackie began the Marketing portion of the board meeting by introducing the team, particularly focusing on the new member of the team, Tanya Edwards. She then proceeded to explain that the presentation was divided into two sections. The first section would cover the recap of programs already executed and the second section would touch on the upcoming Spring programs. In addition, she reviewed the budget and the incremental that was awarded in September.

Luis started by giving a Fall 2012 media update. Everything that was planned was placed according to the plan delivering total IMP's of 381,746,000. He then touched on the Wow Tour, Fall House Party and Hispanic Heritage Month.

Ketchum then covered the Wall Street Journal Business Story, the Holiday Program, food service events and trade PR.

Marketing Plan Overview and New Spring Editions: Luis presented the Media Overview slide and flowchart as well as the Awards Season Radio slides:

Ketchum then touched on the Awards program; Print, radio, in-store POS, web and social media promotions will invite consumers to submit their WOW! dish starring Avocados from Mexico to be entered to win a trip to Hollywood including hotel, studio tours and dinner at the Ivy restaurant. Retailers will have the chance to participate in our new Awards :60-second Radio Spot with custom :05-second tags. MHAIA will also partner with national TV shows for two exciting segments featuring Avocados from Mexico during the days leading up to the most popular Hollywood award shows.

Awards season is the women's equivalent of the playoffs and the Superbowl with entertaining to be centered on Food and Entertainment content in key magazines, E-blasts, on-line promotions and Twitter postings.

Spring 2013 Radio: will be concentrated in 17 key markets.

Ketchum presented the PSA: Healthy bodies come in all sorts of shapes and sizes; just like fruits and vegetables supporting positive self esteem.

Ketchum presented the Spring For Some Avocados PR campaign and the national magazine mailers effort.

"Cheryl Helps You Eat Healthier" North American Spring Tour: Through a partnership within the Academy of Nutrition and Dietetics Food and Culinary Professionals Group, Cheryl will host a workshop in her kitchen for RDs and culinary professionals (Feb. 1)

Cinco de Mayo 2013 updates included PR activation, outreach to food editors, local/national broadcast, print, and online placements and blogger gift cards.

May "Burger Month" will kickoff grilling season that culminates in National Burger Day on May 28.

Foodservice Trade Events include Culinary Institute of America: Worlds of Healthy Flavors, January 23-25, 2013, NRA Marketing Executives Group (MEG), May 2013, and Morelia en Boca, May, 2013.

Natalia presented the website piece. New Website Launched December 12, 2012

1st stage launched with, User registration, Recipe upload, Comments section on each recipe, Save your favorite recipes and search recipes by category and ingredients.

2nd stage will be developed Jan-Jun 2013, including: Shopping Lists, Custom Printing Module, storage, display and Promoting tips on the Trade Section, New Foodservice Section, SEO Implementation.

Tanya then covered the retail piece. She reviewed the activities for the past 3 months which included:

- Nine activations completed from December to end of January in retailers such as Wakerfern, Wal-Mart, and Giant Foods
- 2,650 demo days
- 4,000 Super Bowl Shippers allocated
- Approx. 3,000 Thanksgiving POS and 3,000 Holiday POS allocated

She explained that our “go to market” strategy is to tap into partner’s DSD system and leverage to place shippers and ensure in-store execution is carried out.

MHAIA is also executing an in-store radio program where two :15 spots run every hour in 2,151 stores in NY, Chicago, Milwaukee, Louisville, Grand Rapids, Cincinnati, St. Louis, Pittsburg, Memphis, Baltimore, Atlanta, Buffalo, Columbus, Dallas, and Houston. In four flights, Flight 1 - December 8-22, Flight 2 - January 19-February 2, Flight 3 - February 16-March 2, Flight 4 - March 16-March 30

For the first quarter the programs were, national Pizza Program with Mama Mary’s

Costco Demos:

- Timing: January-February-March
- In-Store Demos
 - 900 Total Demos
 - 300 Stores, Once a month for 3 months

HEB Combo Locos in partnership with Bolthouse Baby Carrots:

- Timing: February 2013

Kroger Mid-Atlantic Demos in partnership with Litehouse Foods:

Wal-Mart programs with Rot*EI:

Super Bowl Demos

- Dates: Jan. 17, 18, 19, 20

March Madness Demos

- March 2013

Spring Program with Butterball:

Timing: 2nd Quarter

Spring Salad Program with Butterball and Pepperidge Farms

Timing: April-May 2013

Target Retailers:

- Kroger
- Wal-Mart
- Target
- Meijer
- Publix
- Ahold

Cinco De Mayo – Let's Get This Party Started.....

Potential partners: Dos XX, Bud Light Lime, Ocean Spray and Cholula Hot Sauce

Meeting Schedule:

We will have the crop report by the February 8th so we should schedule a conference call to discuss the added \$2MM marketing spend on February 12th at 9:00 AM PST.

We will also need to plan a strategy meeting in March or April depending upon the timing of the CEO selection.

The following meeting will be on May 14th in conjunction with the United Fresh meeting in San Diego.

The Annual Meeting will be in September at the Culinary Institute of America date TBD depending upon space at the CIA. However, it looks likely that the meeting dates will be September 9 and 10, 2013.

Adjournment

There being no other business, Mike motioned to adjourn the meeting at 3:00 PM and the motion was seconded by Antonio. There was no objection.

Respectfully Submitted,

Ron Campbell, MHAIA Executive Director

I certify that the above is a true and accurate statement of the January 22nd, 2013 MHAIA Board of Directors Meeting.

Alfredo Rodriguez, MHAIA Board Secretary

**Mexican Hass Avocado Importers Association
Board Meeting Minutes (Addendum 1)
February 15, 2013**

Place

Conference Call

Time: 12:00 PM – 1:00 PM EST

Board of Directors:

DIRECTORS

Adrian Iturbide Mejia - Producer, Mich., Mexico	(p)	Chairman
Giovanni Cavaletto-Index Fresh, Bloomington, CA	(p)	Vice-Chairman
Alfredo Rodriguez Flores – Empacadora Agroexport, Tancitaro	(a)	Secretary
Ed Figueroa- LGS Speciality Sales, Bronx, NY	(p)	Treasurer
Francisco Falconi Pardo - Producer, Mich., Mexico	(a)	
Antonio Villaseñor Zurita- Vifrut, Uruapan, Mexico	(p)	
Mike Browne – Calavo Growers Inc., Santa Paula, CA	(p)	
Gahl Crane – Green Earth Produce, Verona CA	(a)	(Alt for Jimmy Lotufo)

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AMS: _____

Veronica Douglas

Officially Present: _____

Ron Campbell

Jackie Bohmer

Dolora Sillman

Members:

Gary Caloroso

A conference call was held to hear the Marketing committee recommendations regarding the board decision to spend an additional \$2MM on retail promotions.

Adrian took the roll call, formed a quorum and waived approval of the minutes from January 22nd. He introduced Mike and Jackie who then presented the proposal (available upon request).

The incremental spend is:

Seasonal Promotions - \$200K
Foodservice - \$300K
Retail Programs / Sales Tools - \$1,450,000
Website - \$50K

Mike motioned to accept the committee's proposal and the motion was seconded by Giovanni. There was no objection.

New business:

Ed mentioned that he received preliminary results from Creative Management Solutions; the HR consultant hired to help develop employee evaluation criteria. Ron will work towards completion and pass the final product around to the board for final approval.

Mike mentioned that there seems to be a discrepancy in volume numbers between HAB and APEAM and requested that Dolora work with Robert Rumph to audit the figures. Dolora will report back.

Ron reported that CEO search for AFM is winding down and interviews for the finalists will be conducted on February 18. Upon completion, Ron will schedule a board conference call to conduct an electronic vote to approve hiring the new CEO of AFM.

There being no additional new business Mike motioned to adjourn and the motion was seconded by Ed. There was no objection.

Respectfully Submitted,

Ron Campbell, MHAIA Executive Director

I certify that the above is a true and accurate statement of the February 15th, 2013 MHAIA Board of Directors Meeting.

Alfredo Rodriguez, MHAIA Board Secretary

**Mexican Hass Avocado Importers Association
Board Meeting Minutes (Addendum 2)
February 26, 2013**

Place

Conference Call

Time: 12:30 PM – 1:30 PM EST

Board of Directors:

DIRECTORS

Adrian Iturbide Mejia - Producer, Mich., Mexico	(p)	Chairman
Giovanni Cavaletto-Index Fresh, Bloomington, CA	(p)	Vice-Chairman
Alfredo Rodriguez Flores – Empacadora Agroexport, Tancitaro	(a)	Secretary
Ed Figueroa- LGS Speciality Sales, Bronx, NY	(p)	Treasurer
Francisco Falconi Pardo - Producer, Mich., Mexico	(a)	
Antonio Villaseñor Zurita- Vifrut, Uruapan, Mexico	(p)	
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Gahl Crane – Green Earth Produce, Verona CA	(a)	(alt. Jimmy Lotufo)

AMS: _____

Veronica Douglas

Officially Present: _____

Ron Campbell

Dolora Sillman

Jackie Bohmer

Jerry Butt

On February 26, a closed session of the MHAIA board of Directors and APEAM leadership was held to discuss the final results of the CEO search for the AFM subsidiary. Following the closed session an executive committee recommendation was developed and the full board was convened.

Adrian took the roll Call, developed a quorum and delayed approval of the January 22nd and February 26 minutes. He then introduced Jerry Butt from MIXTEC.

The four finalists represented a senior level trade association executive, a senior VP from a produce company, a senior level marketing executive from a food company and an executive from the consumer product goods industry. Jerry explained the positive and negative attributes of all of the individuals and stated that the group keyed in on Tim O'Connor from the United States Potato Board because of his knowledge, expertise and success in the produce industry as well as his start-up capabilities and business acumen. Tim rose to the top.

The full offer for the position of Chief Executive officer will include salary and an incentive package as follows:

Position Title:	Chief Executive Officer
Reports to:	Joint Executive Committee, AFM, Inc.
Location:	Denver, Colorado
Annual Bonus Plan:	Based on mutually-agreed upon performance objectives. Bonus objectives will attempt to be specific, measurable, attainable, relevant and time-framed. Minimum benchmarks must be met to attain bonus. Plan Year 1 Deliverables TBD. Bonus payouts to be distributed quarterly.
Retirement Savings Plan:	AFM will contribute 8% of base salary to a retirement plan TBD.
Health Benefits:	AFM will provide health benefits, which includes medical, dental and vision insurance, at no cost to each regular full-time employee. Dependent coverage provided with Mr. O'Connor paying a portion (20%) of this coverage. Mr. O'Connor will be reimbursed Cobra expense for medical until plan is established.
Life Insurance/Disability:	Life Insurance (1.5X total compensation) and long-term disability insurance will be provided. Plans TBD.
Paid Time Off:	Three weeks / year. Holiday schedule and Personal Days TBD.
Starting Date / Timing:	April 1, 2013

After much discussion Mike Browne motioned to hire Tim O'Connor and the motion was seconded by Ed Figueroa. The vote was unanimous.

Additionally, Ron requested that the board consider hiring Mark Burrell from WestMark to facilitate an upcoming APEAM / MHAIA strategic planning session in April. Giovanni motioned to hire Mark and the motion was seconded by Adrian. There was no objection.

There being no additional business Ed motioned to adjourn and this motion was seconded by Mike. No objection.

Respectfully Submitted,

Ron Campbell, MHAIA Executive Director

I certify that the above is a true and accurate statement of the February 26, 2013 MHAIA Board of Directors Meeting.

Alfredo Rodriguez, MHAIA Board Secretary