



Minutes of the American Pecan Promotion Board Meeting

1431 Greenway Dr. Irving, TX 75038

Wednesday, July 16, 2025

9:00-11:30 pm CT.

Agenda

See Agenda Attached.

Attendees

See Attendee List Attached.

I. CALL TO ORDER

Ms. Deborah Walden-Ralls, Chair, called the meeting of the American Pecan Promotion Board (Board or APPB) to order at 9:00 a.m. CT on July 16, 2025, after notice was properly given to the Board.

II. ROLL CALL

Ms. Garner confirmed that a quorum was present.

III. APPROVAL OF PREVIOUS MINUTES

Ms. Walden-Ralls called for a motion to approve the minutes from the Board meeting held on February 27, 2025. Mr. Womack moved to approve, and Mr. Larry Salopek seconded the motion. The minutes were approved unanimously.

IV. ADMINISTRATIVE REPORTS

CHAIR REPORT

Ms. Walden-Ralls thanked attendees for their participation and recognized the Board members for their service to the industry. She acknowledged the ongoing challenges facing the pecan sector and noted that the primary purpose of the meeting was to review and approve programs and funding for fiscal year 2026. She highlighted the APPB's key accomplishments over the past year and acknowledged the success of the recent Chicago Research Symposium hosted by the APPB, expressing appreciation to the staff for delivering an outstanding program. She concluded by commending the staff for their continued dedication before transitioning to the CEO's report.

CEO UPDATE

Ms. Warden provided an update on the APPB's recent accomplishments and strategic priorities, highlighting significant progress over the past year. She emphasized the importance of aligning activities with the UPPP strategic plan and scorecard, noting that all initiatives tie back to APPB's core values of driving demand, fostering innovation, and supporting industry growth. Among the key achievements, she reported that APPB successfully transitioned to a new office space,



resulting in annual savings of approximately \$40,000 while providing a modern, efficient work environment. The new facility, located near the airport, also offers a conference center and boardroom space that can serve as an industry hub for meetings and events at a nominal fee or free of charge.

Ms. Warden reported that 92% of industry volume has been audited through handler compliance reviews and highlighted APPB's strengthened financial position, achieved through partnerships with a new accounting firm, bank, and financial auditor. She also noted the successful launch of the new EatPecans.com website, designed to improve consumer engagement and provide a more industry-friendly platform with cross-linking to the Mexico retail site.

Ms. Schaffner reported on Spark Fund initiatives, noting that \$500,000 has been allocated to drive innovation and consumer demand. She provided an overview of the approved partnerships with Branding Iron, Sodexo, Mars, and Kinetic 12.

Ms. Warden also shared that APPB secured \$450,000 in USDA NIFA funding, matched for a total of \$900,000, to support the Byproduct Research Initiative. Research efforts are focused on:

1. Economic analysis of byproduct demand
2. Prototype development for manufacturing processes
3. Nutritional evaluation of shells, hulls, and oils

Ms. Schaffner provided an update on consumer marketing efforts, emphasizing the "Surprisingly Snackable" campaign, which highlights the crave-ability and versatility of pecans. She shared that pecan snacking retail sales increased by 3.5% and noted expanded Mexico retail distribution from 90 to 312 stores. The campaign's success has been amplified through new commercials, digital content, and national marketing publications, with pecans featured in 16 major food campaigns.

Ms. Warden commended staff for their contributions to the success of the Chicago Research Symposium, where scientists gathered for the first time in 15 years, and noted the continued progress of APPB's research pipeline. The Board was also presented with the consumer scorecard, showing that every \$1 invested generates approximately \$9 in sales, reinforcing the effectiveness of APPB's marketing initiatives. She concluded by reminding members of the next Board meetings scheduled for February 11 and July 29, 2026, and encouraged continued industry engagement and outreach to identify potential new board members.

USDA UPDATE

Ms. Richardson reported that the staffing structure proposal is currently under review by the USDA Office of the General Counsel. She confirmed that all nomination package background forms have been received. In response to an inquiry regarding an antitrust statement, she stated that a draft can be prepared and submitted for approval. Ms. Richardson also noted continued



coordination with staff on import reimbursements and reported that compliance cases are progressing as expected.

V. COMMITTEE REPORTS

MARKETING COMMITTEE REPORT

Mr. Womack, Chair of the Marketing Committee, noted that the APPB Marketing Committee met in June to review ongoing marketing activities and provided context on the progress made to date, noting the organization's advancements even without agency support in the early stages. He highlighted that APPB has now engaged a food service agency to support program development and introduced Mr. Kevin Gross of Kinetic 12 to lead a discussion on the Spark Innovation Program and partnership opportunities.

Mr. Gross thanked the Board for their time and explained that the program focuses on streamlining collaboration between the restaurant and manufacturing sectors to expand pecan usage in innovative menu applications. He introduced representatives from Sodexo, one of the world's largest non-commercial food service providers, who shared insights into culinary strategy, menu development, and the potential for incorporating pecans into new recipes and offerings. Sodexo representatives emphasized pecans' versatility, sustainability benefits, and consumer appeal, noting strong opportunities to feature pecans across various menu platforms.

Mr. Gross also introduced Mr. Art Michaels of Branding Iron, a leading protein manufacturer and key Sodexo partner. Mr. Michaels discussed current innovation initiatives, including opportunities to incorporate pecans into breaded proteins and other center-of-plate products. He highlighted strong potential for growth through collaborations that leverage pecans' unique flavor and texture in new menu applications, particularly in both restaurant and retail channels.

Ms. Schaffner concluded by noting that Mars, Inc. would present additional partnership opportunities during the Executive Session, where related funding proposals would be discussed and voted on by the Board.

FINANCE COMMITTEE REPORT

Mr. Quiros, Chair of the Finance Committee, provided an update on the Finance Committee's recent activities and expressed appreciation to the committee members, staff, and USDA for their continued support and collaboration. He reported that significant progress has been made over the past several months, noting that the spring season was particularly busy with the transition to a new financial auditor, the selection of a new banking partner, and the review of accounting firm proposals. He acknowledged the extensive effort required to complete a large number of audits and thanked staff for their diligence throughout the process.

Mr. Quiros also addressed ongoing discussions regarding assessments on imported pecans, highlighting two related motions under consideration. He explained that the current order does



not fully account for all scenarios in which pecans may be assessed, resulting in instances where imported pecans are inadvertently assessed twice. While U.S. Customs and Border Protection (CBP) collects assessments, there is no mechanism to confirm whether they have already been paid, creating a potential issue of fairness for importers. Mr. Quiros emphasized that the committee continues to work toward a solution and is developing processes to establish a clear paper trail to verify assessments. He noted that this matter has been under review for more than a year and will remain a priority until resolved.

Ms. Walden-Ralls expressed her appreciation to Mr. Quiros for his leadership and the committee's continued efforts.

EXECUTIVE COMMITTEE REPORT

Ms. Walden-Ralls reported that the Committee reviewed the current APPB staffing structure to assess its alignment with organizational needs. She noted that members discussed proposed revisions to the Policies & Procedures Manual and reviewed updates to the FY 2025 budget, ultimately approving a recommendation, in coordination with the Finance Committee, for full Board consideration. She further reported that the Committee reviewed and recommended the January–April 2025 financial statements for Board approval. Additionally, the Committee voted to engage Forecasting & Business Analytics to conduct the Fair Act Study and agreed to collaborate with the American Pecan Council (APC) to ensure a comprehensive and coordinated assessment of each organization's impact. Finally, Ms. Walden-Ralls informed the Board that the Committee approved recommendations for FY 2026 vendor contract renewals and the proposed FY 2026 budget.

RESEARCH COMMITTEE REPORT

Mr. Brycen Salopek, Chair of the Research Committee, reported that the Committee convened in June to review the FY25 Research Pipeline. He noted the completion of two significant studies: (1) an NHANES database analysis showing that pecan consumers demonstrate improved heart health and (2) a comprehensive review of 47 studies confirming positive effects of pecans on cholesterol levels and insulin sensitivity. These findings strengthen the industry's position in future dietary guideline recommendations.

Mr. Salopek reported that the Committee also reviewed 33 research proposals submitted through the Scientific Pipeline RFP process, evaluated using NIH scoring criteria. Three studies were considered for potential funding:

- The impact of pecans on blood sugar and cardiovascular health in individuals with pre-diabetes;
- The effect of daily pecan consumption on short- and long-term memory; and
- The influence of pecans on gut microbiota and potential connections to blood sugar regulation.

Pending approval of the FY26 budget, the Committee recommended funding two studies focused on pre-diabetes and cognitive health.



Mr. Salopek also highlighted the success of APPB's first Research Symposium, which brought together over 60 scientists, researchers, and industry members to share findings, establish research priorities, and foster collaboration. Ms. Serena Schaffner noted the strong participation of emerging scientists and valuable insights from growers regarding research needs, including sustainability and farming practices. She emphasized that these collective efforts strengthen the scientific foundation of the pecan industry and support both health messaging and long-term marketing strategies.

VI. OLD BUSINESS

REVIEW OF APPB STAFFING STRUCTURE

Ms. Warden reported that while the shared independent contractor staffing model has improved operational efficiency, compliance concerns have been raised by the IRS and the Texas Workforce Commission regarding the classification of independent contractors performing employee-like functions. Based on legal counsel's guidance, corrective action is required to reduce potential risk and ensure alignment with federal and state regulations.

To address these issues and maintain transparency and oversight, Ms. Warden recommended establishing a separate nonprofit entity to employ APPB and APC staff. This structure would allow for proper employee classification as W-2 employees, enhance recruitment and retention efforts, and provide a more sustainable and compliant staffing framework. She emphasized that the nonprofit would operate solely as a staffing organization, with no authority to engage in lobbying, policymaking, or other governance activities.

Ms. Warden noted that USDA General Counsel is currently reviewing the matter and outlined two options under consideration: (1) creating a standalone nonprofit entity or (2) transitioning staff employment under APPB. She further stated that legal counsel has offered to assist with establishing the nonprofit at no cost to ensure full compliance.

During discussion, the Board reviewed the proposed implementation timeline. Ms. Warden indicated that the target date for transitioning staff is October 1, with a contingency deadline of January should additional time be required. Board members also noted that creating the nonprofit represents the most cost-effective and compliant solution moving forward.

Ms. Walden-Ralls concluded the discussion by reading the resolution prepared by legal counsel, authorizing the Boards to proceed with contracting a management organization to provide staff support.

Mr. Ivey motioned to approve the resolution to authorize a contract with a management organization to provide APPB with staff. The motion was seconded by Mr. Montz, and the Board approved.



Mr. Mason motioned to approve the creation of a nonprofit management or to align staff under either APC or APPB to subcontract to the other. The motion was seconded by Mr. Hamilton, and the Board approved.

REVIEW OF PROPOSED POLICIES & PROCEDURE UPDATES

Ms. Walden-Ralls reviewed the proposed policy and procedure updates as recommended by the Executive Committee.

Mr. Womack motioned to approve the proposed changes to the Policies and Procedures. The motion was seconded by Mr. Ivey, and the Board approved.

APPROVAL OF THE PROPOSED FY 25 REVISED BUDGET

Mr. Drummond presented the proposed FY 25 revised budget, reviewed and recommended by the Executive and Finance Committee. Mr. Zaffarano motioned to approve the proposed FY 25 revised budget. The motion was seconded by Mr. Garza, and the Board approved.

VII. NEW BUSINESS

FY 26 CONSENT ITEM AGENDA

Ms. Warden presented the proposed FY26 consent agenda to the Board for review.

Mr. Hamilton moved to approve the FY26 consent agenda, which includes: (1) authorization of line-item budget transfers with oversight by the Chair; (2) approval of no-cost extensions with oversight by the Chair; and (3) approval of travel for the Chair or Board Members as designated by the Chair. Mr. Soria seconded the motion, and the Board unanimously approved.

APPROVAL OF THE DELEGATION OF BUDGET AUTHORITY

Ms. Walden-Ralls reviewed the action of the delegation of budget authority to each committee. Ms. Warden reviewed the justification of delegation to each committee for budget authority action with the Board.

Mr. Brycen Salopek motioned that the Board grant authority to the Executive Committee to approve contractors and manage their respective budgets. Mr. Garza seconded the motion, and the Board approved.

Mr. Ivey motioned that the Board grant authority to the Marketing Committee to approve contractors and manage their respective budgets. Mr. Garza seconded the motion, and the Board approved.

Mr. Garza motioned that the Board grant authority to the Research Committee to approve contractors and manage their respective budgets. Mr. Montz seconded the motion, and the Board approved.



Mr. Hamilton motioned that the Board grant authority to the Finance Committee to approve contractors and manage their respective budgets. Mr. Ivey seconded the motion, and the Board approved.

DISCUSSION OF IMPORT REIMBURSEMENTS

Ms. Warden provided an overview of the APPB Order, noting that it establishes a specific assessment exemption for organic pecans and outlines a potential exemption for imported pecans intended for consumption outside the United States. She further explained that the Order indicates pecans should not be reassessed upon import if an assessment has already been collected from a U.S. producer on the same product. Ms. Warden reviewed the steps taken to ensure compliance, stating that in November 2023, U.S. Customs and Border Protection began collecting assessments on all imported pecans; in December 2023, the APPB Board approved a resolution authorizing the CEO to review and evaluate reimbursement requests; and in October 2024, the APPB initiated third-party audits of importers who submitted reimbursement claims. She reported that audits for three importers have been completed, resulting in a total reimbursement amount of \$1.425 million for Crop Year 2021-2023.

Ms. Richardson inquired about the measures in place to ensure the confidentiality of import reimbursement requests. Ms. Warden outlined the established protocols and security controls implemented throughout the process, from secure file storage to the disbursement of funds, emphasizing the Board's commitment to maintaining strict confidentiality at every stage.

Mr. Larry Salopek motioned to approve the reimbursement of funds paid by non-delinquent importers on pecans that, based on a third-party audit, should not have been assessed but were collected by U.S. Customs and Border Patrol and transferred to APPB. Mr. Brycen Salopek seconded the motion, and the Board approved.

Mr. Garza motioned to provide authority for future approvals of reimbursements to the APPB Executive Committee, except for the two assessment exceptions expressly included in the Order, namely the exemption for producers under the de minimis and the exemption for producers of organic pecans, which can be approved by the APPB CEO if provided with sufficient documentation and the producer is not delinquent. Mr. Brycen Salopek seconded the motion, and the Board approved.

AUTHORIZATION FOR EXECUTIVE COMMITTEE TO SELECT RESEARCHER FOR FAIR ACT STUDY

Ms. Warden reminded the Board that the FAIR Act Study is a federally mandated evaluation of the effectiveness of the Research and Promotion Program. She reported that the Executive Committee, in coordination with the American Pecan Council, issued a Request for Proposals (RFP) and reviewed all submissions received. Following a thorough review, the Executive Committee is recommending the proposal submitted by Dr. Oral Capps and Dr. Harry Kaiser.



Mr. Ivey motioned to authorize the Executive Committee to review submitted proposals and select the researcher to conduct the Fair Act Study on behalf of the Board. Mr. Hamilton seconded the motion, and the Board approved.

APPROVAL OF FINANCIAL STATEMENTS

Mr. Drummond presented the financial statements for the period for January through April 2025 to the Board, noting that the statements had been included in their meeting packets for review.

Mr. Ivey motioned to approve the financial statements from January through April 2025. The motion was seconded by Mr. Montz, and the Board approved.

APPROVAL OF SPARK FUND FY25 ALLOCATION

Ms. Walden-Ralls provided overview of the spark fund FY 25 allocation motion as reviewed by the Marketing Committee.

Mr. Montz motioned to approve funding of \$500,000 from FY25 for Branding Iron, Sodexo, Mars, and associated consumer research through the management of Kinetic 12. The motion was seconded by Mr. Larry Salopek, and the Board approved.

APPROVAL OF THE PROPOSED FY 26 BUDGET

Mr. Drummond presented the proposed FY 26, reviewed and recommended by the Executive Committee. Mr. Mason motioned to approve the proposed FY 26 budget. The motion was seconded by Mr. Womack, and the Board approved.

Ms. Walden-Ralls asked if there were any additional comments or discussion. Hearing none, she announced that the Board would now convene in executive session.

VIII. EXECUTIVE SESSION

IX. ADJOURNMENT

The meeting was adjourned at 12:00 p.m. Central Time.



**AMERICAN PECAN PROMOTION BOARD
FULL BOARD**

**July 16, 2025
9:00 a.m. Central Time**

The Embassy Office
1431 Greenway Dr. Irving, TX 75038

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. APPROVAL OF PREVIOUS MINUTES**
- IV. ADMINISTRATIVE REPORTS**
 - A. Chair Report
 - B. CEO Report
 - C. USDA Report
- V. COMMITTEE REPORTS**
- VI. OLD BUSINESS**
 - A. Review of APPB Staffing Structure
 - B. Proposed Policy & Procedure Update
 - C. Proposed Revisions to FY25 Budget
- VII. NEW BUSINESS**
 - A. Consent Item Agenda
 - B. Delegation of Budgetary Authority to Committees
 - C. Approval of Reimbursement for Ineligible Import Assessments Collected By Customs
 - D. Approval to Delegate Reimbursement Review and Approval Authority
 - E. Authorization for Fair Act Study Researcher Selection
 - F. Financial Statements – January-April 2025
 - G. Spark Fund Allocation
 - H. Proposed FY 26 Budget
- VIII. EXECUTIVE SESSION**
- IX. ADJOURNMENT**



Attendee List

Board Members Present:

Trent Mason

Paul Quiros

Molly Willis

Jake Montz

Shannon Ivey

Larry Don Womack

Deborah Walden-Ralls

Phillip Arnold

Brycen Salopek

Larry Salopek

Evo Soria

Brittan Bagley

Mark Hamilton

Romulo Garza

Steve Zaffarano

Guillermo Humphrey

Jeff Worn

USDA Attendees:

Alex Caryl, USDA AMS

Sarah Richardson, USDA AMS

Jennie Varela, USDA AMS

Delaney Fuhrmeister, USDA AMS

Steven Kauffman, USDA AMS

Serena Schaffner, APPB staff

Brandon Drummond, APPB staff

Emma Garner, APPB staff

Kristi Mosquera, APPB staff

Bailey Segars, APPB staff

Gabrielle Teixeira, APPB staff

Carl Sanders, APPB staff

Joy Glass, APPB staff

APPB Staff Present:

Anne Warden, APPB staff

Additional Attendees:

Andrea Fuentes

Andrew Downie

Arsenio Gonzales

Art Michaels

Becky Carroll

Blair Krebs

Carrie Sabourin

Casey DenBleyker

Edgar Villalobos

Eric Miller

Gengsheng Zhang

Geoff Hamil

Harold Payne

Jason Williams

Jason Hoermann

Jennifer Randall

John Heuler

John M. White

Kai Goerlich

Kevin Gross

Lalo Medina

Mark Friesenhahn

Mark Sanchez

Mary Bruorton

Matt Luaders

Molly Willis

Noé Ramos

Rebecca Geller

Roberto Gonzalez

Rosalyn Darling

Scout Weesner

Tim Hand

Vada Lucas