

American Pecan Promotion Board

Organizational Meeting

September 15, 2021

The first Organizational Meeting of the American Pecan Promotion Board (the "Board", "Program" or the "APPB") was called to order by Alex Caryl, Agricultural Marketing Specialist, USDA, at 10am EST on September 15, 2021. Ms. Caryl welcomed the Board and guests and called on Ms. Heather Pichelman, Associate Deputy Administrator of the Specialty Crops Program ("SCP") of the Agricultural Marketing Service ("AMS") of the USDA.

Welcoming Remarks and Introductions

Ms. Pichelman reviewed the process of the APPB's formation and discussed the goals of the APPB and the internal reorganization of the Market Development Division ("MDD") of AMS that places the American Pecan Council and the APPB under the same group in AMS.

Ms. Caryl called on the Board Members and AMS participants to introduce themselves. The following meeting participants were present and gave brief self-introductions:

Alex Caryl, (MDD-MARB)
Marlene Betts, (MDD)
Heather Pincelman, (SCP)
Patty Petrella, (MDD)
Trent Mason
Paul Quiros
Mike Adams
Deborah Walden-Ralls
Phillip Arnold
John Turner

Sally Arn
Brittan Bagley
Romulo Garza
Mark Hamilton
John Hutchens
Dennis Hardman
Molly Willis
Jaye Massey
Kortney Chase
David Salopek
Guillermo Humphrey

Additionally, the following USDA and Customs and Border Protection ("CBP") participants were present at the meeting: Sue Coleman (MDD-MARB), Katie Cook (MDD-MARB), John Veley (CBP), Abigail Campos (MDD-SERB), Christian Nissen (MDD-SERB) and Tarun Harit (MDD-MARB).

Roles and Responsibilities of the USDA and the APPB

Ms. Caryl reviewed the legal basis of the USDA's Research and Promotion Programs (Commodity Promotion, Research, and Information Act of 1996, as amended

(the “Act”)) and contrasted these programs with the USDA’s Federal Marketing Order programs. Ms. Caryl reviewed the history of the APPB approval and reviewed the functions of the APPB and the Powers and Duties of the Board. Ms. Caryl also discussed the prohibited activities for Board Members and the Member’s roles and responsibilities.

Roll Call, Antitrust Statement and Oath of Office

Ms. Betts led a roll call of the Board Members and declared that the Board had established a quorum for this meeting. Ms. Betts reviewed a summary of United States Antitrust law applicable to the Board and Board Members. The USDA accepted the role of monitoring discussions of the Board during meetings to make sure no Antitrust violations were present but asked Board Members to raise the issue if they became concerned that an Antitrust violation might be implicated in any discussions between Board Members. Ms. Betts administered the oath of office to all Board Members.

Domestic and Importer Assessment Collection

Ms. Caryl reviewed the language of the Order in (7 CFR 1223) (the “Order”)) regarding assessments for importers and domestic growers. Ms. Caryl announced that assessments will begin on October 1, 2021, pursuant to the Order. Ms. Caryl reviewed importer assessment collection options and introduced Jon Veley from CBP. Mr. Veley discussed the collection by CBP including the cost and timing of using this Agency for importer assessment collection. Mr. Veley answered questions of the Board and the USDA on how CBP charges for its services and tracks imports and exports of commodities.

Election of Chairperson and Officers

Ms. Caryl introduced the election procedures for officers and turned the election over to the Board to determine its officers. Ms. Coleman assisted the Board in the election process. Mr. Arnold nominated Mr. Salopek for Chairperson of the Board. Mr. Salopek accepted and there were no other nominations. Mr. Hamilton made a motion to close nominations and cast a unanimous ballot for Mr. Salopek. That motion was unanimously approved by the Board and David Salopek was elected Chairperson.

Mr. Salopek made initial remarks thanking the members for their confidence in him and how he envisions good things for the Pecan industry through this Research and Promotion Program. Mr. Salopek, as a point of Chairperson privilege, made comments regarding the recent passing of Mr. Bruce Caris, a leader in the Pecan industry for many years and a friend to many, and asked that we all remember his wife and son at this time.

Mr. Salopek called for nominations for Vice Chairperson. Mr. Mason nominated Mike Adams for Vice Chairperson of the Board. Mr. Adams accepted and there were

no other nominations. Mr. Turner moved to close the nominations for Vice Chairman. The Board unanimously approved the motion to close the nominations. The nomination of Mr. Adams as Vice Chairman was unanimously approved by the Board.

Mr. Salopek called for nominations for Treasurer. Mr. Mason nominated Ms. Walden-Ralls as Treasurer. Ms. Walden-Ralls accepted and there were no other nominations. Mr. Turner moved to close the nominations for Treasurer. The Board unanimously approved the motion to close the nominations. The nomination of Ms. Walden-Ralls as Treasurer was unanimously approved by the Board.

Mr. Salopek called for nominations for Secretary. Ms. Walden-Ralls nominated Mr. Quiros as Secretary. Mr. Quiros accepted and there were no other nominations. Mr. Turner moved to close the nominations. The Board unanimously approved the motion to close the nominations. The nomination of Mr. Quiros as Secretary was unanimously approved by the Board.

Lunch Break and Agenda Change

Upon motion made by Mr. Turner, the Agenda for the meeting was changed and Lunch shortened to 30 minutes.

Executive Committee

After a Board and USDA discussion about forming an Executive Committee, Mr. Hutchens made a motion to established an initial Executive Committee composed of the Chairperson, Vice Chairperson, Treasurer and Secretary, to act on behalf of the Board between meetings and until such time as another Executive Committee is elected pursuant to yet to be drafted bylaws. Mr. Hutchens' motion was unanimously approved by the Board.

Meeting Recessed

The meeting was recessed at 11:53am EST.

Executive Session

Mr. Salopek announced the Executive Session at 12:33pm EST to discuss office location, staffing, bank accounts and organizational structure for the APPB.

Resumption of the Organizational Meeting

After the Executive Session was completed, the public portion of the Meeting was resumed at 1:11pm EST.

Announcement of Business from the Executive Session

Mr. Salopek announced that during the Executive Session the Board: approved Ft. Worth, Texas, as the office location for the Board; approved that the Board would file for incorporation in Texas as a not for profit corporation; approved First Financial Bank of San Angelo, Texas, as the Board's Bank; and approved the Board to negotiate with the APC and its staff for administrative, executive and program services.

Agenda Change

Mr. Salopek raised the issue of skipping the afternoon Break on the Agenda. Mr. Adams made a motion to change the Agenda to skip the afternoon break which was unanimously approved by the Board.

APPB Budget

Mr. Salopek called on Ms. Caryl to review the Program's budget process. Ms. Caryl reviewed the possible Program revenue numbers for 2021 based on information learned from USDA and CBP. The Board and the USDA personnel discussed the import numbers used in Ms. Caryl's presentation and discussed how to move the FY2021 budget process forward. Ms. Betts reminded the Board, in accordance with the Act and the Order, to include 10% of the assessments in an escrow account in case assessments are to be returned in the future. Mr. Salopek asked Ms. Walden-Ralls to work on the FY2021 budget with the USDA for review by the Board at a subsequent meeting.

USDA Costs and Industry Notification

Mr. Salopek called on Ms. Caryl to discuss the USDA's costs for the Program to date. Ms. Caryl announced that the Board owes the USDA for services in helping the proponent group (the National Pecan Federation) form the Program just under \$60,000. Ms. Betts announced that the proponent group's bond has been released based on the establishment of the Program. Ms. Petrella announced that the Board should budget another \$80,000 to \$120,000 per year for USDA Program support. A general discussion by the Board followed on the USDA costs and required industry assessment payments. To achieve assessment payments for the Program, the Board and USDA personnel entered into a discussion related to notifying the market and specifically the Producers, First Handlers and Importers about the assessments that begin on October 1, 2021. Notification options were discussed including industry publications and letters to participants. Mr. Hamilton made a motion to have the Executive Committee send letters to Importers and First Handlers on the details of paying their assessments, which was unanimously approved by the Board. Mr. Salopek asked Ms. Walden-Ralls and Mr. Quiros to work on these notifications.

Call for a Next Meeting

After a general discussion of when to hold the next Board meeting, Mr. Salopek set the next Board meeting for Tuesday, September 28, 2021, at 1:30pm Central Time.

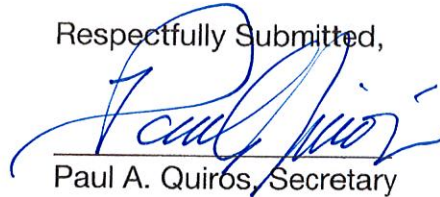
Open Question Period for the Meeting Participants

Mr. Salopek opened the meeting for any questions or comments by any meeting participants. Several members of the Board and the USDA made comments or asked questions.

Adjournment

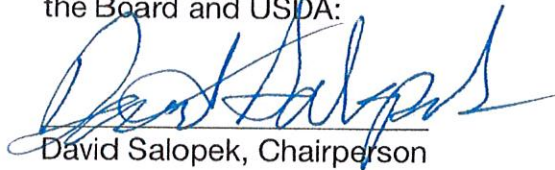
Upon motion made by Ms. Willis for adjournment of the meeting and unanimous vote of the Board, the Meeting was adjourned at 2:10pm EST.

Respectfully Submitted,



Paul A. Quiros, Secretary

Approved after review of
the Board and USDA:



David Salopek, Chairperson