



AMERICAN PECAN PROMOTION BOARD

FEBRUARY BOARD MEETING

February 27, 2025

MINUTES

I. CALL TO ORDER AND ADMINISTRATIVE REPORTS

The American Pecan Promotion Board (APPB or Board) meeting was called to order by the Chair, Ms. Walden-Ralls, at 12:33 p.m. Central Time on February 27, 2025, after proper notice of the meeting was given.

A. ROLL CALL

Mr. Salopek conducted the roll call. The following individuals were in attendance:

Board Members Present:

Deborah Walden-Ralls

Trent Mason

Paul Quiros

Molly Willis

Jake Montz

Shannon Ivey

Larry Don Womack

Phillip Arnold

Brycen Salopek

Larry Salopek

Evo Soria

Brittan Bagley

Romulo Garza

Mark Hamilton

Steve Zaffarano

Guillermo Humphrey

Jeff Worn

APPB Staff Present:

Anne Warden

Serena Schaffner

Carl Sanders

Joy Glass

Emma Garner

Kristi Mosquera

Brandon Drummond



Gabrielle Teixeira

USDA Attendees:

Matthew Collins (USDA)

Additional Attendees:

Nav Athwal

Chris Bobek, Moss Krusicks

Mary Bruorton, GPGA

Marianna Chapman

Andrew Downie

Arsenio Gonzales

Mark Hendrixson

John Hutchens

Ana Lucia Sanchez

Katia Storts, Moss Krusicks

Linda Truong

Dan Zedan

A quorum of the members of APPB was confirmed.

APPROVAL OF PREVIOUS MINUTES

Ms. Walden-Ralls called for a motion to approve the minutes of the previous Board meeting held on October 22, 2024. Mr. Womack moved to approve the minutes, and Mr. Montz seconded the motion. The minutes were approved by the Board.

CHAIR REPORT

Ms. Walden-Ralls welcomed everyone to the Board meeting and extended appreciation for the current and newly seated Board members.

CEO UPDATE

Ms. Warden provided an organizational update, highlighting key developments and strategic progress under the Unified Pecan Promotion Plan (UPPP) since the previous meeting. She noted the APPB's focus on the "Higher Value Through Nutrition" and "Expanding Demand Through New Occasions" pillars, complementing recent American Pecan Council efforts on "Industry Readiness" and "Export Strategies." Final feedback was invited ahead of industry presentations and FY26 budget planning.

Ms. Schaffner presented the marketing and research update, noting a strategic shift toward emphasizing the health benefits and versatility of pecans. She reported the Research Committee's approval of five long-term studies focused on heart health, diabetes, antioxidants,



skin health, and overall wellness. Engaging third-party health professionals remains a core strategy, supported by survey findings indicating that 77% of health professionals currently recommend pecans.

Under the “Expanding Demand Through New Occasions” initiative, Ms. Schaffner highlighted strong results from retail campaigns—ranging from a 16–18% average sales lift with registered dietitians, to a sustained 61% lift in a Walmart campaign, and a 15% lift (\$715,000 in additional sales) through a Kroger promotion. E-commerce efforts on platforms such as Amazon and Instacart generated \$2 to \$5 returns per dollar invested, with 26% of purchasers new to the category.

She also outlined FY25 foodservice initiatives, including team-led seminars, a foodservice toolkit, and continued engagement with a chef advisory panel. Research indicates consumers are willing to pay \$0.40–\$1.40 more for menu items featuring pecans, reinforcing the nut’s premium appeal.

Performance metrics were also reviewed, including:

- In-store promotions: 66% average unit lift and 55% sales lift across 3,000+ stores
- E-commerce promotions: \$2.11 average return per dollar spent
- Social media: consistent outperformance of industry benchmarks

The APPB’s Mexico campaign was also reported as successful, leveraging influencer content and a Soriana retail partnership covering 90 stores and 80% market reach.

Under “Industry Readiness,” Ms. Schaffner detailed available industry resources and a forthcoming redesign of EatPecans.com to enhance user engagement.

Ms. Warden rejoined to introduce APPB staff and report improvements in compliance and responsiveness. She noted the opportunity for the Board to consider transitioning from an independent contractor model to a formal joint organizational structure in July. She also reviewed vendor support across accounting, audit, and marketing, and shared that office relocation options are being explored in light of the lease expiration.

Ms. Warden then introduced the Spark Fund proposal. Of the \$1 million contingency budgeted for FY25, \$500,000 had already been committed to successful retail programs. She recommended allocating the remaining \$500,000 to support product innovation, marketing, and packaging initiatives to close the gap between demand and availability. Proposals will be



reviewed by the Marketing Committee in June, with full Board review in July. Transparency and equitable access will be prioritized.

She concluded by encouraging Board members to share updates broadly within their networks and reminded them of the upcoming APPB elections for Importer and Eastern Producer seats.

USDA UPDATE

Mr. Collins informed the Board that internal transitions within the U.S. Department of Agriculture (USDA) have temporarily delayed items currently under review by the Office of General Counsel (OGC), the Federal Register, and related trade notice processes. He assured the Board that his office is proactively maintaining the progress of these items to ensure they are ready for immediate advancement once internal operations resume.

II. COMMITTEE REPORTS

EXECUTIVE COMMITTEE REPORT

Ms. Walden-Ralls informed the Board that the Executive Committee convened to review the FY 2025 Unified Pecan Promotion Plan and discussed implementing a stakeholder engagement process—including workshops and interviews—to help inform strategic priorities. She reported that the Committee also reviewed and, in coordination with the Finance Committee, recommended the revised FY 2025 budget for full Board consideration.

She further noted that the Committee received updates on the FY 2024 financial audit, importer and first handler audits, and recommended the September–December 2024 financial statements for Board approval. In addition, the Committee reviewed proposed amendments to the Order and Bylaws and discussed preparations for the upcoming APPB elections, which will include three Eastern grower seats and three importer seats.

Ms. Walden-Ralls concluded by stating that the Committee approved initiating a Request for Proposals (RFP) for a Fair Act Study, to be conducted in collaboration with the American Pecan Council, and recommended the selection of a new accounting firm and banking institution, both subject to approval by the full Board.

MARKETING COMMITTEE REPORT

Mr. Womack informed the Board that the Marketing Committee reviewed and approved its charter for submission to the Board at the February meeting. Ms. Schaffner reported that the Committee received a comprehensive overview of FY 2024 activities, including in-store and retail initiatives, ongoing efforts within the food service channel, and the El Poder De La Nuez campaign. Staff also provided updates on FY 2025 plans, highlighting expanded in-store promotions with Soriana, potential partnerships with HEB, and preliminary enhancements to EatPecans.com.



Additionally, Ms. Schaffner noted that staff presented a high-level summary of the FY 2025 Unified Pecan Promotion Plan (UPPP). The Committee revisited the FY 2025 budget to familiarize members with funding categories and approved the recommended allocation of an additional \$500,000 toward U.S. consumer marketing and website design and maintenance. She advised that the revised budget will be submitted to the full Board for approval in February.

RESEARCH COMMITTEE REPORT

Mr. Salopek informed the Board that the Research Committee reviewed and approved its charter for submission to the Board at the February meeting. He reported that the Committee examined FY 2024 activities, including the recently approved scientific research pipeline and published studies, and discussed plans for FY 2025. These plans include continued outreach to health professionals, the organization of an industry-wide research symposium, and the reopening of the Request for Proposals (RFP) process in March to sustain the nutrition research pipeline.

Mr. Salopek further informed the Board that the Committee approved a motion to revise the Research Study Structure payment terms from 20%, 40%, 40% to 30%, 50%, 20%, thereby increasing upfront funding to support patient recruitment, equipment acquisition, and study execution costs.

He also noted that staff provided a high-level overview of the FY 2025 Unified Pecan Promotion Plan (UPPP) and that the Committee revisited the FY 2025 budget to reacquaint members with funding categories.

FINANCE COMMITTEE REPORT

Mr. Quiros informed the Board that the Finance Committee reviewed and approved its charter for submission to the Board at the February meeting. He reported that the Committee thoroughly examined the proposed revised FY 2025 budget and endorsed a recommendation for its consideration and approval by the full Board. Additionally, he noted that the Committee reviewed and recommended the September–December 2024 financial statements for Board approval. Furthermore, Mr. Quiros stated that the Committee approved recommendations for the engagement of a new accounting firm and banking institution, both of which remain subject to final approval by the full Board.

III. OLD BUSINESS

REVIEW OF FY 24 FINANCIAL AUDIT REPORT

Mr. Drummond introduced Mr. Katia Storts from the financial auditing firm Moss, Krusick & Associates LLC to present an overview of the final FY24 financial audit report to the Board. Ms. Storts then provided a detailed review of the audit findings. Mr. Hamilton motioned that the Board approves the financial audit report regarding the Board's financial statements for the year ended September 30, 2024. Mr. Worn seconded the motion, and the Board approved.



PROPOSED REVISIONS TO THE FY 25 BUDGET

Mr. Drummond presented an overview of the proposed revised FY25 budget. He noted that The Finance and Executive Committee recommended revising FY 25 budget to account

A \$1,000,000 Contingency was budgeted in FY25 to expand promotion programs that prove successful or initiate new promotion ideas in the pipeline. The Executive Director proposes allocating \$500,000 from Contingency to Program Expenses to poise APPB to potentially move forward with any such opportunities in between the February and July Board meetings. Mr. Ivey motioned to approve the revised FY 25 budget. The motion was seconded by Mr. Soria, and the Board approved.

APPROVAL OF FINANCIAL STATEMENTS

Mr. Drummond presented the financial statements for the period for September through December 2024 to the Board, noting that the statements had been included in their meeting packets for review. Mr. Salopek motioned to approve the financial statements from September through December 2024. The motion was seconded by Mr. Womack, and the Board approved.

IV. NEW BUSINESS

COMMITTEE CHARTERS

Ms. Walden-Ralls noted that each Committee reviewed their respective Committee charter and recommended it to the Board. Ms. Warden also reviewed the budget authority action with the Board.

Mr. Womack motioned that the Board grants authority to the Executive committee to direct all spending within its respective committee budget. Mr. Hamilton seconded the motion, and the Board approved.

Mr. Mason motioned that the Board approves the Finance Committee charter and grants authority to the Finance committee to direct all spending within its respective committee budget. Mr. Soria seconded the motion, and the Board approved.

Mr. Soria motioned that the Board approves the Research Committee charter and grants authority to the Research committee to direct all spending within its respective committee budget. Mr. Montz seconded the motion, and the Board approved.

Mr. Salopek motioned that the Board approves the Marketing Committee charter and grants authority to the Marketing committee to direct all spending within its respective committee budget. Mr. Soria seconded the motion, and the Board approved.

APPROVAL OF THE FY 25 UNIFIED PECAN PROMOTION PLAN

Ms. Walden-Ralls emphasized the importance of the Fiscal Year 2025 Unified Pecan Promotion Plan (UPPP) in advancing strategic alignment and long-term industry planning. During discussion,



the Board considered the plan's long-term planning framework and the potential implications for future budgetary allocations. Ms. Warden noted that, as a next step, an Economic Evaluation Study would be commissioned to assess the projected impact of forthcoming initiatives, with the findings intended to guide future funding decisions. A motion to approve the FY 2025 UPPP was made by Mr. Womack and seconded by Mr. Hamilton. The motion was unanimously approved by the Board.

REVIEW OF THE PROPOSED ORDER AND BYLAWS

Ms. Warden provided an overview of two potential amendments to the Order, as reviewed by the Executive Committee.

The first proposed amendment concerns the exemption process for imported organic pecans. Under the current Order, both U.S. producers and importers must provide proof of certification under USDA's National Organic Program (NOP) to qualify for exemption from assessment. Ms. Warden noted challenges in instances where importers handle both organic and non-organic product, making it necessary to obtain documentation from the original producer to confirm organic status. The proposed amendment would clarify that all producers—domestic and foreign—must submit verifiable documentation to demonstrate that the pecans meet NOP organic standards. The Board discussed the importance of applying uniform exemption requirements to both domestic and imported pecans to ensure clarity and consistency.

The second proposed amendment seeks to address exemptions for imported pecans that are either of U.S. origin or intended for re-export. Ms. Warden explained that the current Order is silent on this matter, although program guidelines prohibit assessing the same pecans twice or assessing pecans not intended for U.S. consumption. The proposed amendment would formally allow such exemptions, contingent upon the importer providing adequate documentation and ensuring that the exempt pecans are not commingled with assessable product.

The Board expressed consensus in support of advancing both proposed amendments and directed staff to proceed with development of a formal proposal. Following the Order discussion, Ms. Warden reviewed proposed amendments to the Bylaws, as outlined in the meeting materials. She stated that the Executive Committee had conducted a thorough review of the revisions, which were further refined following legal counsel's recommendations to include minor administrative updates.

Mr. Quiros moved to approve the proposed revisions to the Bylaws. The motion was seconded by Mr. Womack and was unanimously approved by the Board.

BANK & INVESTMENT

Mr. Drummond reported that staff conducted a comprehensive evaluation of the organization's current banking institution, which included a review of the services provided and interest



income generated. As part of this review, three proposals were solicited and received through a formal Request for Proposals (RFP) process. Following thorough evaluation, He noted Pinnacle Financial Partners was identified as the top-ranked respondent, offering competitive interest rates, a broad range of financial services, and demonstrated experience serving ten other commodity boards. The Finance and Executive Committee reviewed all proposals and recommended transitioning to Pinnacle Financial Partners. Accordingly, a recommendation was presented to the Board to approve the transition to Pinnacle Financial Partners as the organization's banking institution and invest up to \$2M of APPB's cash reserves into short-term securities that are 12 months or less. Mr. Hamilton moved to approve. Mr. Womack seconded the motion, and the Board unanimously approved.

BOOKKEEPING & ACCOUNTING SERVICES

Mr. Drummond reported that staff had completed a thorough evaluation of the organization's current accounting services provider, with a focus on service quality, cost structure, and the overall scope of services offered. As part of this process, three proposals were solicited and received through a formal Request for Proposals (RFP). Among the submissions, CliftonLarsonAllen LLP (CLA) was identified as the top-ranked firm, demonstrating robust service capabilities, competitive pricing, and extensive experience serving over ten other commodity organizations. Based on this assessment, the Finance and Executive Committee recommended transitioning to CLA for the provision of bookkeeping and accounting services. The recommendation brought forward for Board approval was to contract with CliftonLarsonAllen LLP for the remainder of Fiscal Year 2025 and to extend the current accounting firm's engagement by 45 days to facilitate a smooth and orderly transition. Mr. Ivey moved to approve the transition to CliftonLarsonAllen LLP as the organization's accounting services provider and extend the current accounting firms contract by 45 days to assist with the transition. Mr. Montz seconded the motion, and the Board approved the recommendation.

APPB OFFICE MOVE

Ms. Warden informed the Board that the organization's current office lease is set to expire in July. In an effort to avoid increased lease costs, improve accessibility for members traveling to the office, and reduce expenses associated with hosting Board meetings, staff has been actively evaluating alternative office space options. Mr. Quiros moved that the Board authorize the Chief Executive Officer to negotiate and finalize a new lease agreement, with oversight from the Chair, and to approve up to \$10,000 in associated moving expenses. Mr. Zaffarano seconded the motion, and the Board approved.

CHAIR TRAVEL

Ms. Walden-Ralls noted that formal authorization from the Board would be required to approve the associated travel expenses for the Chair, or in the Chair's absence, a designated Board member, is present to represent the organization at relevant association meetings. Mr. Salopek moved that the Board authorize travel for the Chair, or a designated representative, to attend



such meetings on behalf of the American Pecan Promotion Board. Mr. Mason seconded the motion, and the Board approved the recommendation.

UPCOMING APPB ELECTION VOTING PERIOD EXTENSION

Ms. Walden-Ralls noted that the Executive Committee recommended extending the voting period to 30 days to allow ample time for industry to vote. Mr. Quiros moved to extend the voting period for the upcoming APPB election to 30 days. Mr. Womack seconded the motion, and the Board approved.

V. ADJOURNMENT

Ms. Walden-Ralls inquired whether there was any additional discussion. Hearing none, Mr. Ivey moved to adjourn the meeting. The motion was seconded by Mr. Humphrey. The meeting was adjourned by the Board at 2:37 p.m. CT.