

AMERICAN PECAN PROMOTION BOARD

BOARD MEETING

May 25, 2022

A Board Meeting of the American Pecan Promotion Board (the “Board,” or “APPB”) was called to order by David Salopek, Chairperson of the Board at 2:32pm CST on Wednesday, May 25, 2022.

Participants

Mr. Salopek called on Mr. Quiros to lead a roll-call of the participants and the following persons were present:

Phillip Arnold	Molly Willis
Mike Adams	Paul Quiros
Deborah Walden-Ralls	David Salopek
John Turner	Romulo Garza
Kortney Chase	John Hutchens
Dennis Hardman	Sally Arn
Trent Mason	Mark Hamilton
Guillermo Humphrey	Maggie Pepper (AB)
Alex Caryl, (MDD-MARB)	Alex Ott
Marlene Betts, (MDD)	Jeff Smutny
Maggie Pepper (Armstrong, Backus & Co.)	Deb Barnett

Based on the Board’s attendance, a quorum for the meeting was confirmed.

Matthew Bailey was in attendance as a public member.

Approval of Minutes

Mr. Salopek asked for comments regarding the Minutes from the April 19, 2022, Board Meeting. Ms. Walden-Ralls made a motion to approve the Minutes of the April 19, 2022, Board Meeting, which was approved by a vote of the Board.

Financial and Collections Update, Budget

Mr. Salopek called on Ms. Maggie Pepper, the APPB's representative from Armstrong, Backus & Co., LLP, to update the Board on the Board's Financial Statements through 4/30/22, the first seven months of the fiscal year, and the assessment collections through April 30, 2022, which had previously been circulated to the Board. Ms. Pepper reviewed the Financial Statements of the Board through April 30, 2022, and described the assessment collections to date, a copy of Ms. Pepper's numerical presentation of collections through April 30, 2022, is attached as Exhibit A. Ms. Pepper also answered questions of the participants.

Independent Contractor and Budget Amendment

Ms. Walden-Ralls described the need to add an additional independent contractor through September 30, 2022, in the amount of \$20,000. Mr. Ott described this person's duties. Mr. Quiros made a motion to approve a Fiscal Year 2022 budget increase for an additional independent contractor of \$20,000, which was approved by a vote of the Board.

Portal Construction and It Storage Discussion

Mr. Salopek called on Ms. Walden-Ralls to review the APPB Portal development and IT storage. Ms. Walden-Ralls called on Mr. Smutny who reviewed the items to be reviewed with Fishhook and an additional needed IT storage and Cloud services contract with Newtek Technology Solutions, Inc. ("Newtek"). Mr. Hamilton made a motion to approve a contract with Newtek for IT and Cloud services, which was approved by a vote of the Board.

Webpage Update

Mr. Salopek called on Mr. Smutny to update the Board on the Webpage development. Mr. Smutny described the new eatpecans.com website and its development.

Board Committee Assignments

Mr. Salopek notified the Board that each Committee needed to plan to meet in June. Mr. Salopek called on each of the Committee Chairpersons who described the work of their Committees and some of their plans. The Board entered into a general discussion of the Committee opportunities.

Marketing & Digital Magnet Update

Mr. Salopek called on Mr. Smutny to discuss the marketing opportunity in July with Digital Magnet. Mr. Smutny made a presentation for a \$350,000 campaign with Digital Magnet in July 2022, in 12 target US markets. Mr. Mason made a motion to approve a \$350,000 marketing campaign with Digital Magnet as described to the Board, which was approved by a vote of the Board.

Independent Contractor Agreements

Mr. Salopek called on Mr. Ott who described the Independent Contractor Agreements in place to supply staff for the Board.

Office Rental Agreement and Budget Amendment

Mr. Salopek called on Mr. Ott who described the arrangement that has been put in place to lease a portion of the space currently occupied by the APC that begins in June. Mr. Mason made a motion to amend the Board's 2022 Fiscal Year Budget to include an "office rent" line item for \$16,000, which was approved by a vote of the Board.

Bylaws and Policies Update

Mr. Salopek called on Mr. Quiros to update the Board on the Bylaws and the Board Policies. Mr. Quiros discussed a recent change to the Bylaws suggested by Mr. Salopek to expand the Executive Committee, the language of which was disseminated to the Board before the meeting. Mr. Quiros made a motion to amend the Bylaws, Article V, Section 1, to expand the Executive Committee to the Board's officers and the all Chairpersons (or Co-Chairpersons), which was approved by a vote of the Board. Mr. Quiros described the Policies being prepared for review by the Board.

USDA Update

Mr. Salopek called on Ms. Caryl to present the USDA's report. Ms. Caryl updated the Board on the transitioning of the USDA's communications responsibilities and administrative work to Mr. Ott and APPB staff. Ms. Caryl also updated the Board on the US Customs and Border Protection ("CBP") delay in implementing the Importer assessments at the Border.

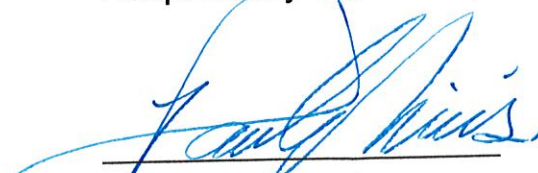
Future Meetings

Mr. Salopek gave notice of an in-person Board meeting on July 27, 2022, in the morning in Dallas/Fort Worth. Mr. Salopek asked Mr. Ott to send the details of the meeting to the Board.

Old Business, New Business, Public Comment and Adjournment

Mr. Salopek called for old business or new business. Mr. Smutny informed the Board of a shift in leadership at the USDA. Mr. Salopek asked for public comment or questions from the public meeting guest and there were no questions raised. Mr. Salopek adjourn the meeting at 4:42pm CST.

Respectfully submitted,



Paul A. Quiros, Secretary

Approved after review of the Board and USDA:



David Salopek, Chairperson

EXHIBIT A

AMERICAN PECAN PROMOTION BOARD

Assessments Reported

Reported as of 4/30/22

State	Total Assessments	Shelled Pounds	In Shell Pounds	DeMinis Exemption Requested	Organic Exemptions Requested
AL	\$ 6,053		302,673	5	
AR	\$ 20,736		1,036,835	8	
AZ	\$ 391,755		19,587,747	3	
CA	\$ 61,842		3,092,125	4	
FL	\$ 1,160		57,990	4	
GA	\$ 1,017,122	105,790	50,644,534	86	
KS				3	
LA	\$ 41,997		2,099,861	8	
MO				5	
MS				7	
NC				3	
NM	\$ 853,155		42,657,735	19	4
OK	\$ 184,149		9,207,471	54	
SC				4	
TN	\$ 1,847		92,374		
TX	\$ 955,843	3,530,913	40,730,334	66	
Other	\$ 633,443	114,000	31,444,050	7	
IMPORTS	\$ 504,011	1,981,515	21,237,543		
TOTAL	\$ 4,673,113	5,732,218	222,191,272	286	4