



AMERICAN PECAN PROMOTION BOARD

FEBRUARY BOARD MEETING

February 13, 2024

MINUTES

I. CALL TO ORDER AND ADMINISTRATIVE REPORTS

Ms. Walden-Ralls, Chair, called the meeting of the American Pecan Promotion Board to order at 1 p.m. CT on February 13, 2024, after notice was properly given to the Board.

A. ROLL CALL

Mr. Quiros called the roll and determined the following members and guests were in attendance:

Mike Adams

Sally Arn

Romulo Garza

Mark Hamilton

Guillermo Humphrey

Trent Mason

Phillip Arnold

Brycen Salopek

Larry Salopek

Deborah Walden Ralls

Larry Don Womack

Steve Zaffarano

Paul Quiros

Anne Warden, APPB staff

Serena Schaffner, APPB staff

Brandon Drummond, APPB staff

Kristi Mosquera, APPB Staff

Matthew Collins, USDA

Allison Beadle, CEO, Wild Hive

Beau Hayden, Vice President of Insights, Sales & Trust, Dairy Management Inc.

Dr. Charles Rohla, Pecan Systems Manager, Noble Research Institute

A quorum for the meeting was confirmed.

B. CHAIR REPORT

Ms. Walden-Ralls thanked Board Members and guests for their attendance at the meeting, and she discussed the importance of the Board helping to address industry member questions



concerning the upcoming APPB referendum. Ms. Walden-Ralls reminded the Board that if someone does not receive a ballot, they should call USDA or Ms. Warden at APPB.

C. CEO UPDATE

Ms. Warden thanked everyone for attending the previous night's dinner and discussed the importance of the two National Pecan organizations keeping the lines of communication open and staying abreast of the state of the industry. She reported that over the past couple of months, the APPB has focused on maintaining marketing programs, while working to enhance internal operations. In coming months, Mr. Warden said that APPB will begin the process of setting forth budget recommendations to be considered at the July 2024 Board meeting.

She notified the Board that the July 11, 2024, Board meeting will be held at the DFW Hilton Lakes Executive Conference Center.

D. USDA UPDATE

Mr. Collins updated the Board on the upcoming referendum planned to commence on April 15, 2024. He also noted Board nominations are on track with elections scheduled to be held April 1, 2024, that included three open Producer seats in the Central area and two open Importer seats.

II. CONSENT ITEM

APPROVAL OF PREVIOUS MINUTES AND FINANCIAL STATEMENTS

Ms. Walden-Ralls dispensed reading of the Minutes from the December 15, 2023, Board Meeting and the September 2023, November 2023 and FY23 Year-End Financial Statements as they were provided to members in advance, and she followed with request for comments. The Board had no comments, and a motion was made by Mr. Mason to approve the December 15, 2023, Minutes as well as the September 2023, November 2023 and FY23 Year-End Financial Statements. Mr. Womack seconded the motion and the Board voted to approve.

III. EXECUTIVE COMMITTEE REPORT

Ms. Warden provided an overview of the progress of Importer assessments being collected by Customs and Border Protection (CBP) and the preliminary APPB process for issuing importer assessment reimbursements. Ms. Warden stated that CBP began collecting assessments on November 9, 2023, and APPB has collected funds for November, December and January from the CBP. Ms. Warden also noted that more than \$1.2 million dollars have already been received. To date, only one reimbursement request from an Importer has been received. Due to a lack of reimbursement requests, Ms. Warden recommended continuing the Board-approved provisional reimbursement process through the rest of the fiscal year before making any suggested changes to the process.

Ms. Warden discussed that the USDA had requested an extension to begin the voting period for the APPB referendum. After discussion, the APPB Board members opposed the extension and



Mr. Womack made a motion to send a letter to USDA with concerns about the proposed referendum date extension. The motion was seconded by Ms. Walden-Ralls, and the Board approved.

IV. FINANCE COMMITTEE REPORT

The Finance Committee reviewed the FY24 budget for line-item changes recommended by staff. Ms. Warden recommended the budgeted contingency funds of \$1.3 million be redirected toward impactful marketing promotions. Ms. Warden also noted there were budgetary savings due to CPB not charging for assessment collection.

Mr. Womack made a motion to approve the proposed FY24 Budget revisions to make line-item changes and direct \$1.3 million in contingency funds to program marketing. Mr. Mason seconded the motion and the Board approved.

V. MARKETING COMMITTEE REPORT

Ms. Schaffner reported that the Marketing Committee reviewed the FY24 Q2-Q4 marketing focus, which included an emphasis on Pecan purchases beyond the holiday season and into the everyday shopping experience through marketing platforms around healthy snacking and nutrition. Ms. Schaffner also discussed the importance of narrowing previous consumer targets to better reach intended Pecan purchasers and invest more in consumer shopping experiences online and in-store.

As part of the strategy, Ms. Schaffner recommended further investment in health research initiatives to bring greater awareness of Pecans' health benefits to Health Professionals who are influential among consumers, particularly those in the retail sector.

Ms. Schaffner reported that APPB put out a request for proposals (RFP) among shopper marketing agencies and brought forward two viable candidates. Due to timing, the Marketing Committee will be reviewing responses to the RFPs to select an agency on February 21, 2024, as well as review new vendors and line-item allocations to the budget based on the marketing strategy.

A motion was made by Mark Hamilton to grant the Marketing Committee the authority to approve new vendors and add line-item allocations to the Budget. The motion was seconded by Brycen Salopek and the Board approved.

VI. RESEARCH COMMITTEE REPORT

Ms. Schaffner provided an update on the EatPecans.com research library, including an update that was done to improve the search functionality as well as improve access to content. The research library will include a new category on Human Health and Nutrition and will be re-launched by June 2024.



Ms. Beadle, CEO of Wild Hive, and an APPB contractor, was called on to review a research evaluation on human health and nutrition studies related to all tree nuts including Pecans. The evaluation included a look at more than 8,000+ studies and publications that fell into various health condition categories such as cardiovascular disease, cancer, inflammation, microbiome, etc.

Based on the analysis, Wild Hive and APPB staff recommend building out a nutrition research pipeline that will take a deeper look into areas such as systematic inflammation, metabolic health (diabetes) and gut health. A scientific research request for proposals process will be established in the spring of FY24 to fund two to three studies in the current fiscal year.

VII. OLD BUSINESS

There was no further old business.

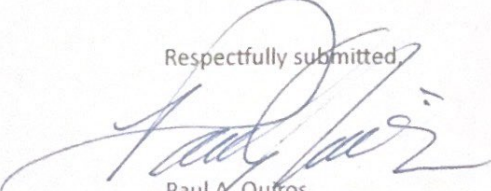
VIII. NEW BUSINESS

Ms. Walden-Ralls discussed the importance of the Unified Pecan Promotion Plan and asked for any discussion or feedback. It was noted that the plan would help to create confidence in the supply and demand part of the industry as well as clear up some of the mixed and confusing messaging that is out there to consumers. Ms. Walden-Ralls asked that any additional comments to the Unified Pecan Promotion Plan be shared with Ms. Warden for consideration.

IX. ADJOURNMENT

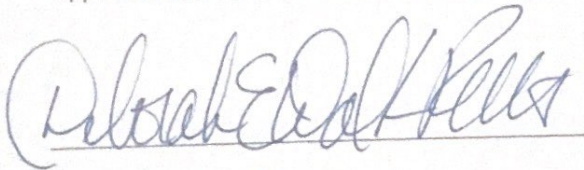
There being no further business, Mr. Mason moved to adjourn the meeting. It was seconded and the Board approved. Ms. Walden-Ralls adjourned the Board Meeting at 3:40 p.m. CT.

Respectfully submitted,



Paul A. Quifros

Approved after review of the Board and USDA:



Deborah Walden-Ralls