Minutes of the American Pecan Council Meeting
1431 Greenway Dr. Irving, TX 75038
Wednesday, July 16, 2025
12:30-3:00 pm CT.

Agenda
See Agenda Attached.

Attendees
See Attendee List Attached.

I. CALL TO ORDER

Mr. Larry Don Womack, Chair, called the meeting of the American Pecan Council (Council or APC) to order at 12:30 p.m. CT on July 16, 2025, after notice was properly given to the Council.

II. ROLL CALL

Ms. Garner confirmed that a quorum was present.

III. APPROVAL OF PREVIOUS MINUTES

Mr. Womack called for a motion to approve the minutes from the Council meeting held on February 27, 2025. Mr. Jones moved to approve, and Mr. Frank Salopek seconded the motion. The minutes were approved unanimously.

IV. ADMINISTRATIVE REPORTS

CHAIR REPORT

Mr.Womack acknowledged the progress made in addressing past challenges with USDA, which have since been resolved through staff efforts. He reported cost savings resulting from the vendor review and highlighted recent international engagement in India, Spain, and the United Kingdom, including a diplomatic meeting in London with Secretary Rollins. He noted progress related to PQ codes in India and emphasized the importance of member engagement in preparation for the upcoming referendum. Members were encouraged to share recent accomplishments with industry stakeholders.

CEO UPDATE

Ms. Warden provided an update to the industry, noting that the Council had achieved several significant milestones over the past year. She reported that the new office space was secured under a five-year lease, resulting in considerable cost savings on both rent and meeting facilities. Ms. Garner added that the new office is strategically located near the airport, improving accessibility for industry stakeholders, and includes a conference room available for industry and association meetings—offered either at a nominal fee or free of charge.

Ms. Warden informed the Council that 82% of handler volume has been audited to date. She further reported that the organization has successfully transitioned to a new accounting firm and financial auditor, and is currently in the process of transitioning to new banking institutions to strengthen financial oversight and accountability. Additionally, she highlighted that the Council has secured over $5 million in federal grant funding to support ongoing initiatives over multiple years.

Ms. Warden provided an update on the development of the industry-owned crop prediction model in partnership with New Mexico State University and Texas A&M. She noted the model will use climate, soil, rainfall, and market data, with a 90% confidence rate and potential for orchard-level forecasts. A preliminary report is expected before CY26. An agricultural economist will support the development of a market dashboard, and a research proposal was recommended to study pecan price drivers.

Ms. Schaffner provided an update on international marketing activities. In India, 20 brands are now packaging American pecans, supported by airline in-flight sampling and partnerships with Bollywood influencers. In the United Kingdom, distribution through Tesco expanded from 266 to 894 stores, resulting in a 230% increase in sales during the promotional period. In Germany, retail sampling was launched in 400 stores through collaborations with three major distributors. In China, McKinsey completed research to support premium market positioning strategies. Meanwhile, efforts in Mexico have focused on website development and cross-market coordination. Ms. Schaffner emphasized that these international programs have been significantly bolstered through federal matching grants. Council investments have been matched through USDA programs such as the Market Access Program (MAP), Emerging Markets Program (EMP), Regional Agricultural Promotion Program (RAP), and Quality Samples Program (QSP), resulting in over $4 million in confirmed funding for FY26.

She also provided a preview of the Council's upcoming website and performance scorecard launch, both of which were developed by staff.

In closing, Ms. Warden encouraged Council members to assist in amplifying the Council's efforts by sharing updates at local board meetings, promoting opportunities for new Council membership ahead of upcoming term expirations, and engaging peers to foster dialogue and feedback. She noted that staff would provide materials and support to assist in these outreach efforts, reinforcing a broader goal of increased industry engagement and unity.

USDA UPDATE

Ms. Varela welcomed the newly appointed Council members and noted that organizational activities are progressing, with selection orders now signed. She reminded members of the legal requirements, including the prohibition on lobbying and adherence to the Council's Anti-Trust Policy.

Ms. Warden provided a brief update, stating that discussions on potential order changes are scheduled for August and are expected to be productive. Staff provided the members with a handout of the proposed Order changes. Finally, Ms. Varela noted that several compliance cases are currently under review.

V. COMMITTEE REPORTS

GOVERNANCE COMMITTEE REPORT

Mr. Womack reported that the Governance Committee reviewed recent staff updates and programmatic developments. He invited Ms. Warden to provide an overview of the proposed changes to the Federal Marketing Order, including the Committee's recommendation to apply late fees for delinquent handler assessments.

Ms. Warden stated that the Committee approved the implementation of such late penalties and reviewed and approved several key items, including the proposed FY 2026 consent agenda, the FY 2025–2026 E-Compliance Plan, the FY 2025-2026 Marketing Policy, and recommended revisions to the Marketing Order.

She further noted that the Committee evaluated proposals for conducting a Fair Act effectiveness assessment of the American Pecan Council (APC) and selected Dr. Oral Capps and his team to conduct the study. The Committee also approved the continuation of current vendors supporting administrative functions. Additionally, the Committee endorsed a staff proposal—originally recommended by the Industry Relations Committee—to conduct a driver analysis of pecan values. Lastly, the Committee discussed the transition of select contracted roles to formal employee positions to support long-term operational stability

MARKETING COMMITTEE REPORT

Mr. Zaffarano, Chair of the Marketing Committee, noted that the APC Marketing Committee convened in May to review recent program developments and upcoming initiatives. Mr. Zaffarano recognized the marketing team for their broad focus across the supply chain—from growers to end consumers—and highlighted five key priorities that reflect this range. He noted that these included the upcoming launch of the newly designed AmericanPecans.com website, intended to improve usability and access to industry tools and resources; the creation of a dedicated LinkedIn page (@AmericanPecans) to share industry features, Council updates, and CEO communications; the development of new buyer specification materials informed by recent shelf-life research from the University of Georgia; the rollout of food service sales tools, including a primer for the September NPSA meeting and a more in-depth boot camp planned for fall; and the Global Demand Analysis project, which will consolidate international market data into a dashboard to support industry reporting.

Mr. Zaffarano updated the Council that looking ahead to FY26, the Committee approved a proposal to conduct consumer-focused innovation research on packaging and label claims to better understand purchasing behavior, and the RFP is expected later this year. He noted that the Committee also reviewed the proposed FY26 marketing budget, and—pending Council approval—will begin implementation of the new marketing plan.

INTERNATIONAL COMMITTEE

Mr. Medina, Vice Chair of the International Committee, reported that the Committee met in June to review current marketing activities and discuss prospective market development initiatives included in the FY26 Market Access Program (MAP) funding request. Target markets under the request include Canada, China, Germany, India, the Netherlands, South Korea, and the United Arab Emirates.

Mr. Medina highlighted strong performance in both the United Kingdom and India, including expanded distribution and new partnerships across key sectors. He noted that market development efforts in Germany are advancing through partnerships with major grocery retailers, and that a Request for Proposals (RFP) for in-market representation in South Korea will be issued before the end of FY25. Updates were also provided on continued progress related to compliance documentation for China.

Additionally, Mr. Medina shared outcomes from recent international travel, including market development meetings in Europe and India. In India, efforts have also focused on resolving legal issues and finalizing the Emerging Markets Program (EMP) grant to support hospitality sector training. Mr. Womack was also acknowledged for meeting with the U.S. Secretary of Agriculture in London to discuss international market opportunities. Finally, Mr. Medina noted that the Committee has begun exploring potential in the Middle East market.

Ms. Schaffner reported on a new EMP grant awarded for India, supporting focused efforts such as chef partnerships. A proposal for this initiative is being finalized for Council review. She also noted that the Committee reviewed FY25 carryover funds and the proposed FY26 budget, recommending allocations pending Council approval.

Ms. Schaffner concluded by noting that, pending approval, the Committee will continue work with in-market representatives in key regions.

INDUSTRY RELATIONS COMMITTEE

Mr. Jones, Chair of the Industry Relations Committee, reported that the Committee convened in May to review recent FY25 activities and discuss future planning. He highlighted the Committee's emphasis on APC's continued commitment to engaging industry stakeholders through orchard visits, participation in state and regional conferences, and enhanced communications via emails, newsletters, webinars, and targeted advertising in key trade publications. Mr. Jones noted the development of new industry resources, including the FY24 Annual Reports, which illustrate the value and impact of industry investments. The Committee also reviewed materials produced by the Marketing Committee, such as the AmericanPecan.com website, the LinkedIn page, and food service sales kits available to members.

Looking ahead, Mr. Jones informed the Council that the Committee identified four key areas for potential investment: isolating new nutrient streams and expanding into new products (APPB), and advancing export infrastructure and redesigning industry mechanisms (APC). In preparation for the FY26 plan, and contingent upon Council approval of the overall budget, he emphasized the Committee's focus on maintaining transparency through staff presence at industry events and ensuring broad access to resources via the refreshed website and social media channels. Future efforts will include developing co-branded materials, offering educational webinars, and partnering with local organizations to support initiatives such as the UPPP.

GRADES & STANDARDS COMMITTEE

Mr. Montz reported that the Committee reviewed the shelf-life study conducted by Dr. Ron Pegg (University of Georgia), which informed the development of educational materials to support consistent industry standards. These materials are currently under final review and will be distributed upon approval.

He provided an update on APC's petition to USDA for revisions to current grading standards. USDA has accepted proposed changes to the size and color requirements for U.S. Fancy pecans and recommended the removal of shell color as a grading factor for in-shell pecans. He noted that the Committee concurred with this assessment, affirming that while kernel color remains important, shell color is not essential. Mr. Montz further informed the Council that USDA accepted APC's proposal to include water activity (aw) as an alternative to moisture content for assessing product stability. The Committee recommended that this measurement remain optional to allow flexibility for stakeholders. A formal response from USDA is pending. He added that the Council discussed the distinctions between water activity and moisture content, emphasizing the need for adaptable testing methods.

Ms. Varela confirmed that the USDA rulemaking process is ongoing. Additionally, Mr. Zedan raised concerns regarding food and plant safety standards and encouraged the Committee to consider formal regulations, particularly related to the use of growth hormones.

Mr. Montz also reported that the Committee received a presentation from Dr. Ciro Velasco-Cruz (New Mexico State University) on a statistical crop prediction model. The Committee approved funding for the project and recommended the proposed FY26 budget for Council approval.

VI. OLD BUSINESS

REVIEW OF APC STAFFING STRUCTURE

Ms. Warden reported that, although the shared independent contractor staffing model has improved operational efficiency, compliance concerns with the IRS and Texas Workforce

Commission regarding the classification of independent contractors performing employee-like functions were identified. Legal counsel has advised that corrective action is required.

To address these concerns and maintain transparency and oversight, Ms. Warden recommended the establishment of a nonprofit entity to house staff. This structure would allow for proper employee classification (e.g., W-2 employees), enhance recruitment and retention, and provide a cleaner organizational framework. USDA General Counsel is currently reviewing the matter. Mr. Womack read the resolution letter proposed by legal counsel regarding the authorization of a contract with a management organization to provide APC with staff.

Mr. Medina motioned to approve the resolution to authorize a contract with a management organization to provide APC with staff. The motion was seconded by Mr. Frank Salopek, and the Council approved.

Mr. Frank Salopek 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. Medina, and the Council approved.

In closing, Ms. Warden reminded the Council of the upcoming virtual meeting on August 14 and encouraged members to review the proposed order changes in advance to ensure a thorough and informed discussion.

VII. NEW BUSINESS

FY 26 CONSENT ITEM AGENDA

Mr. Womack presented the proposed FY26 consent agenda to the Council for review.

Mr. Jones 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 Council Members as designated by the Chair. Mr. Medina seconded the motion, and the Council unanimously approved.

APPROVAL OF THE DELEGATION OF BUDGET AUTHORITY

Mr. Womack 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 Council.

Mr. Frank Salopek motioned that the Council grant authority to the Governance Committee to approve contractors and manage their respective budgets. Mr. Medina seconded the motion, and the Council approved.

Mr. Medina motioned that the Council grant authority to the Marketing Committee to approve contractors and manage their respective budgets. Mr. Jones seconded the motion, and the Council approved.

Mr. Harrell motioned that the Council grant authority to the Industry Relations Committee to approve contractors and manage their respective budgets. Ms. Arn seconded the motion, and the Council approved.

Mr. Hamilton motioned that the Council grant authority to the Grades & Standards Committee to approve contractors and manage their respective budgets. Mr. Wright seconded the motion, and the Council approved.

AUTHORIZATION FOR GOVERNANCE COMMITTEE TO SELECT RESEARCHER FOR FAIR ACT STUDY

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

Mr. Greg Salopek motioned to authorize the Governance Committee to review submitted proposals and select the researcher to conduct the Fair Act Study on behalf of the Council. Ms. Arn seconded the motion, and the Council approved.

AUTHORIZATION FOR GOVERNANCE COMMITTEE TO SELECT ECONOMIC RESEARCHER

Ms. Warden informed the Council that the Committee discussed the importance of exploring industry priorities beyond traditional marketing efforts—such as grades and standards, crop estimates, financing, and storage infrastructure. She emphasized that there are numerous strategic directions the industry could pursue, and an economic driver study would help identify and quantify the areas with the greatest potential impact. Ms. Warden noted that this study would provide critical insight to guide long-term planning for industry. She stated that the proposed motion would authorize the Governance Committee to issue a Request for Proposals (RFP), select a qualified vendor, and present the findings to the Council.

Ms. Arn motioned to grant authority to the Governance Committee to select a vendor for the economic driver study. Mr. Harrell seconded the motion, and the Council approved.

APPROVAL OF THE PROPOSED FY 26 E-COMPLIANCE PLAN

Ms. Warden presented the proposed FY26 E-Compliance Plan to the Council, noting that its development coincided with an in-person USDA audit. She highlighted that this timing allowed staff to address and finalize outstanding items in the plan effectively. Ms. Varela noted that, as the APC is currently in the process of transitioning banks, staff would need to include this information under the "Additional Comments" section of the proposed plan.

Mr. Hamilton moved to approve the proposed FY26 E-Compliance Plan with the noted revisions. The motion was seconded by Mr. Jones and unanimously approved by the Council.

APPROVAL OF THE PROPOSED FY 26 MARKETING POLICY STATEMENT
Ms. Warden presented the proposed FY26 Marketing Policy Statement, noting that the document is an annual USDA requirement and is used to project supply forecast and assessments and align with the upcoming fiscal year's budget.

Ms. Varela inquired about the implications of forecasting a lower supply for the upcoming fiscal year. Ms. Warden responded that several factors, including weather events like hurricanes, over supply of pieces, and kernel supply will be exceptionally tight, are impacting supply projections. The Council discussed items such as inshell pecans being sent to secondary markets and product shelled in Mexico and re-imported. Ms. Varela asked whether recent flooding in Central Texas would affect supply, and the Council agreed that the impact would likely be minimal, as the affected region primarily produces native varieties.

The Council also addressed a question regarding the anticipated increase in pecan pieces entering the market and the strategy to address this trend. Ms. Warden noted that the American Pecan Promotion Board is working with foodservice partners focused on pecan pieces and meal, and has also approved research into byproduct utilization, including flour and oil. She added that the APC approved economic driver study will help identify long-term challenges and opportunities for the industry as well.

APPROVAL OF FINANCIAL STATEMENTS
Mr. Drummond presented the financial statements for the period for January through April 2025 to the Council, noting that the statements had been included in their meeting packets for review. Mr. Medina motioned to approve the financial statements from January through April 2025. The motion was seconded by Mr. Bowman, and the Council approved.

APPROVAL OF THE PROPOSED FY 26 BUDGET
Mr. Drummond presented the proposed FY 26, reviewed and recommended by the Governance Committee. Mr. Medina motioned to approve the proposed FY 26 budget. The motion was seconded by Mr. Harrell, and the Council approved.

Mr. Womack asked if there were any additional comments or discussion. Hearing none, he announced that the Council would now convene in executive session.

VIII. EXECUTIVE SESSION

IX. ADJOURNMENT
The meeting was adjourned at 2:57 p.m. Central Time.

AMERICAN PECAN COUNCIL MEETING AGENDA

July 16, 2025
12:30 p.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 APC Staffing Structure

VII. NEW BUSINESS

A. Consent Item Agenda
B. Delegation of Budgetary Authority to Committees
C. Authorization for Fair Act Study Researcher Selection
D. Proposed FY 26 E-Compliance Plan
E. Proposed FY 26 Marketing Policy Statement
F. Financial Statements – January-April 2025
G. Proposed FY 26 budget

VIII. EXECUTIVE SESSION

IX. ADJOURNMENT

Attendee List

Council Members Present:

Lawton Pearson
Justin Jones
Lalo Medina
Larry Don Womack
Alexander Wright
Frank Salopek
Josh Bowman
Sally Arn
Alex Willson
Evo Soria
Jared Miller
Brandon Harrell
Erika Hinsberger
Taylor Moses
Brent Brinkley
Molly Willis
Lisa Jackson
Chad Selman
Vada Lucas
Brycen Salopek
Deborah Walden-Ralls
Mark Hendrixson
Jeff Worn
John Taylor
Steve Zaffarano
Jake Montz
Greg Salopek
Mark Hamilton

Due to the vacancy in Eastern Region Grower Seat 3, Ms. Willis, as the designated alternate, was seated in the Member seat for the duration of the meeting.

Due to the vacancy in Central Region Grower Seat 2, Mr. Selman, as the designated alternate, was seated in the Member seat for the duration of the meeting.

Due to the vacancy in Western Region Sheller Seat 2, Mr. Greg Salopek, as the designated alternate, was seated in the Member seat for the duration of the meeting.

Due to the vacancy in the Accumulator Seat, Mr. Hamilton, as the designated alternate, was seated in the Member seat for the duration of the meeting.

USDA Attendees:

Jennie Varela, USDA AMS
Steven Kauffman, USDA AMS
Delaney Fuhrmeister, USDA AMS
Alex Caryl, USDA AMS
Sarah Richardson, USDA AMS

APC Staff Present:

Anne Warden, APC staff
Serena Schaffner, APC staff
Brandon Drummond, APC staff
Emma Garner, APC staff
Kristi Mosquera, APC staff
Bailey Rayfield, APC staff
Gabrielle Teixeira, APPB staff
Carl Sanders, APC staff
Joy Glass, APC staff

Additional Attendees:

Albert Keck
Andrew Downie
Arsenio Gonzalez
Becky Carroll
Blair Krebs
Casey DenBleyker
Daniel Zedan
Eric Miller
Geoff Hamil
Harold Payne
Jason Hoermann
John Heuler
John M. White
Lindsay Mitchell
Mark Friesenhahn
Mark Sanchez
Mary Bruorton
Matthew Bailey
Noé Ramos
Rebecca Geller
Scout Weesner
Sherri Sanders