



Minutes of the American Pecan Council Meeting

1431 Greenway Dr. Irving, TX 75038

Thursday, August 14, 2025

1:00 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 1:00 p.m. CT on August 14, 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 July 16, 2025.

Motion:

Ms. Walden-Ralls moved to approve, and Mr. Jones seconded the motion. The minutes were approved unanimously.

IV. OLD BUSINESS

DELEGATION OF BUDGETARY AUTHORITY – INTERNATIONAL COMMITTEE

Ms. Warden reviewed the action of the delegation of budget authority to the international committee. Ms. Warden reviewed the justification of delegation to the international committee for budget authority action with the Council.

Motion:

Ms. Walden-Ralls motioned that the Council grant authority to the International Committee to approve contractors and manage their respective budget. Mr. Harrell seconded the motion, and the Council approved.

APPROVAL OF THE REVISED FY 2026 BUDGET

Mr. Drummond presented the proposed revisions to the FY 2026 budget, as reviewed and recommended by the Governance Committee, which were necessitated by the carryover of



funds originally allocated in the FY 2025 budget for a Penn State research study approved by the Council in 2019.

Motion:

Mr. Wright motioned to approve the proposed revised FY 2026 budget. The motion was seconded by Mr. Stephens, and the Council approved.

OVERVIEW OF PROPOSED ORDER CHANGES

Mr. Womack reviewed the proposed amendments to the marketing order and encouraged all members and industry stakeholders to participate in the discussion and provide input. Ms. Warden then provided an overview of the process, which began in early 2024. She reported that, following Council deliberations in February 2025, the Governance Committee met in June 2025 and aligned on a set of proposed amendments—all of which require only administrative updates rather than a formal referendum. A revised recommendation was submitted to the Council in July 2025, with final Council consideration scheduled for discussion during the current meeting and subsequent submission of a formal proposal to USDA in September 2025.

Ms. Varela reiterated Mr. Womack’s encouragement for member and industry participation and noted that she may pose questions during the discussion to ensure adequate justification for each proposed change to support advancement through the USDA rulemaking process. She reminded the Council that once the proposed amendments are submitted and published in the *Federal Register*, the industry will have 30 to 60 days to submit public comments, emphasizing that the process is open to all interested parties.

REVIEW PROPOSED CHANGES OF INTER-HANDLER TRANSFERS

Ms. Warden presented an overview of the proposal to modify the inter-handler transfer reporting requirement from annual to monthly submissions, with the addition of volume data to improve the accuracy of industry position reports and compliance audits. She explained that the current annual reporting structure poses challenges in verifying data during audits, reconciling mismatched reports, and maintaining the accuracy of industry statistics. Ms. Warden presented the current annual form and explained that the proposed revision—replacing “annually” with “monthly”—would enhance traceability, enable more frequent data collection, and strengthen data verification.

She further noted that while the Council had discussed limiting inter-handler transfers to one per lot, this proposal was not pursued due to the frequency with which product moves between multiple handlers. Instead, the Council agreed to advance only the change from annual to monthly reporting as a practical solution. Ms. Warden acknowledged that one consideration was the potential impact on small businesses. She stated that while the new requirement would involve an additional reporting step, it would not be overly burdensome given that handlers are already reporting their activity, and the added effort would be minimal.



Following Ms. Warden’s remarks, Mr. Womack opened the floor for discussion. Mr. Miller requested clarification on the proposed change, and Ms. Warden explained that under the current Order, inter-handler transfers are reported annually, which makes verification and auditing difficult. The proposed shift to monthly reporting would ensure transfers are documented in real time rather than as a single annual summary. She also emphasized that including volume data would further strengthen audit accuracy.

Mr. Easterlin expressed support for the proposed change, noting that his operation did not foresee challenges in adding volume reporting. He asked staff about the potential impact on smaller handlers, and APC staff responded that the current annual process is often more time-consuming and complex, particularly for handlers with frequent transfers. Mr. Easterlin agreed that monthly reporting would likely simplify data collection and improve accuracy, as smaller, more frequent updates are easier to manage.

Ms. Varela inquired how much additional time the new reporting process might require from industry participants. Mr. Easterlin estimated that inter-handler transfer activity typically occurs over a four-month period and did not anticipate the new process would be cumbersome. Staff confirmed that obtaining volume information on a monthly basis should not present difficulties, emphasizing that monthly reporting would enhance transparency and prevent handlers from using a single annual “blanket” transfer to obscure data.

Mr. Harrell, Mr. Easterlin, and Mr. Zaffarano each expressed support for the proposed change, citing the value of volume reporting in improving reconciliation and data accuracy. Mr. Zaffarano noted that his company already tracks transfers monthly and asked how the additional data would benefit reporting. Mr. Drummond explained that handler audits currently face challenges when tracking multiple transfers across handlers, and monthly reporting would significantly improve audit efficiency and data integrity.

Ms. Varela reviewed the current reporting form and referenced the inclusion of data fields such as type, weight, and assessment amounts. Mr. Wright asked about the reporting deadlines, and Ms. Warden clarified that monthly reports would be due on the 10th day of the following month.

Mr. Zedan sought clarification on the number of allowable inter-handler transfers, stating his understanding that a load of in-shell pecans could only be transferred once. Ms. Varela clarified that there is no current limit on the number of transfers, only that transfers apply to in-shell pecans. She added that if the industry wished to introduce a limit on transfers, it could be included as part of the amendment process. Mr. Zedan expressed support for such a limit.

Mr. Hamilton expressed agreement with the proposed shift to monthly reporting and the inclusion of volume as a required data point. Mr. Easterlin cautioned that portions of the industry—particularly smaller operations—may engage in multiple small-scale transfers (e.g.,



transactions of 20 or 20,000 pounds) before product reaches a larger handler. Ms. Warden acknowledged this challenge, noting that it can be difficult to verify whether multiple transfers pertain to the same lot.

Mr. Harrell emphasized that including volume data provides a tangible metric for reconciliation and verification. Council members discussed the potential reporting thresholds and recognized that certain business models, particularly in the southern regions, may involve multiple transfers of in-shell pecans. In response to a question from Mr. Worn, Ms. Varela confirmed that the exemption threshold for handlers remains 1,000 pounds of in-shell pecans.

Mr. Womack concurred that multiple transfers are common in Texas and reiterated the importance of maintaining a simple, practical reporting system. Mr. Zedan highlighted the need to ensure that product is not double-counted or assessed and suggested that if limits on the number of transfers are not adopted, additional data fields such as volume should be required. Mr. Easterlin agreed and proposed that volume and type—categorized as improved, native/seedling, or substandard—be added to the reporting form. Ms. Walden-Ralls also expressed support for this addition.

Motion:

Ms. Walden-Ralls moved that the Council approve the removal of the term “*annually*” from the inter-handler transfer reporting requirement and replace it with “*monthly*,” and that additional data fields for *volume* and *type of pecan* (improved, native/seedling, and substandard) be included on the reporting form. The motion was seconded by Mr. Easterlin and approved by the Council.

REVIEW OF PROPOSED CHANGES TO SIX AT-LARGE SHELLER SEATS

Mr. Womack opened the floor for discussion. Ms. Walden-Ralls expressed full support for the proposed changes, noting that the industry continues to evolve with new participants entering and exiting the market. She stated that moving to six at-large sheller seats would provide needed flexibility and better reflect current industry conditions.

Ms. Warden reviewed the current structure, noting that each region presently has a small and large sheller member and alternate seat. Mr. Worn highlighted that the Council has experienced challenges filling those positions as they are currently structured.

Mr. Zedan explained that when the Order was first established, there were numerous small and large shellers distributed across the regions. However, he expressed concern that as the number of eligible shellers per region has declined, even a single eligible large sheller could eventually term out, leaving the region without representation. He noted that establishing six at-large sheller seats would allow any qualified sheller to serve on the Council regardless of region. Ms. Krebs noted that several shellers operate facilities in multiple regions. Mr. Harrell emphasized the importance of encouraging all eligible shellers to participate. Ms. Varela asked



Ms. Krebs for an estimate of the total number of shellers in the United States. Ms. Krebs responded that she estimated between 25 and 30.

Mr. Zaffarano voiced his support, noting that the change would broaden perspectives and strengthen the Council's representation. Ms. Warden provided an overview of the nomination process should the Council move forward with the proposed rulemaking. She explained that once the rule becomes effective, all sheller seats would transition to at-large representation. Seats with terms ending in 2026 would be up for election at that time, while the remaining three seats would continue through their existing terms ending in 2028. Subsequent elections would be conducted on an at-large basis. Ms. Varela clarified that nominations for the six at-large seats would not begin until the final rule is published.

Mr. Hendrixson requested clarification regarding the September 15 deadline for submitting additional nominees if a candidate is rejected by the Secretary of Agriculture. He inquired whether the Council should consider revising the deadline to a 30- or 60-day period rather than a fixed calendar date. Ms. Varela explained that the September 15 date was selected to allow two weeks before the start of the next term and that USDA works with the Council if timing issues arise. She noted that any change to this timeline would require a formal rulemaking process and a referendum.

Motion:

Mr. Wright moved that the Council approve the creation of six at-large sheller seats. The motion was seconded by Mr. Zaffarano and approved by the Council.

REVIEW PROPOSED ADDITION OF EMAIL VOTING

Mr. Womack opened the floor for discussion. Ms. Walden-Ralls expressed support for allowing email voting when a matter has already been discussed in detail and fully vetted, noting that this would eliminate the need for convening an emergency Council meeting for a single action item.

Ms. Warden noted that a similar provision exists within the APPB Order, though it is used sparingly and only with USDA's explicit approval. Ms. Varela asked for examples of situations where the lack of email voting authority delayed Council action. Ms. Warden cited the recent Penn State study budget amendment requiring a no-cost extension, as well as the need to approve executive session minutes between meetings, as examples where email voting could have expedited decisions.

Ms. Walden-Ralls added that emergency meetings are particularly difficult to schedule during the harvest season, when members' availability is limited. Mr. Womack agreed, emphasizing the importance of respecting members' time and noting the challenges of achieving quorum during busy periods.



Ms. Varela asked whether allowing email voting might increase participation. Council members agreed that it would.

Mr. Lucas inquired how votes would be validated electronically. Ms. Warden explained that staff currently utilize a cybersecurity service and complete monthly training to maintain data integrity. She committed to exploring additional options for validation of electronic votes.

Mr. Lucas indicated his support for adding email voting authority, provided that proper safeguards and verification methods are in place.

Motion:

Ms. Walden-Ralls moved that the Council approve the use of email voting for matters that have already been discussed in a public forum and meet USDA-approved criteria, provided the process occurs in a secure, verifiable manner. The motion was seconded by Mr. Wright and approved by the Council.

REVIEW OF PROPOSED IMPLEMENTATION OF LATE PAYMENT FEES AND INTEREST CHARGES

Ms. Warden reviewed the Council's existing authority under the Order to implement late payment fees and interest charges for handlers that fail to remit assessments on time. She noted that, to date, the Council has not exercised this authority.

She explained that the issue arose following handler audits which revealed that the absence of penalties provides little incentive for timely payment. Ms. Warden reviewed the case-referral process outlined in the E-Compliance Plan, noting that once a matter is referred to the Department of Justice, any recovered funds are retained by DOJ and not returned to the industry. Implementing late payment provisions would therefore provide the Council with an additional compliance mechanism.

Ms. Warden reported that the Governance Committee recommended aligning penalties with those of the APPB for consistency and fairness. While acknowledging that the change could create a minor burden for small handlers, she noted that these handlers also represent the majority of non-compliance cases.

Three recommendations were presented for Council consideration:

- **Recommendation 1 – 30 Days:** Implement a 5% one-time late fee for assessments not received within 30 days of the due date, and a 1% monthly interest charge on any outstanding balance, including late fees and accrued interest, continuing until full payment is received.
- **Recommendation 2 – 90 Days:** Implement the same 5% late fee and 1% monthly interest charge beginning after 90 days from the due date.
- **Recommendation 3 – No Application Date (Handler Policy):** Implement the same 5% late fee and 1% monthly interest charge, to be detailed in the APC Handler Policy rather than the Order.



Mr. Zedan expressed support for Recommendation 2, citing industry cash-flow constraints and extended payment terms with retailers, often ranging from 90 to 120 days. He explained that many handlers operate on a cash basis, and the additional time would help mitigate financial strain. Mr. Harrell agreed, noting that higher interest rates have further impacted handlers' financing options. The Council discussed the advantages and disadvantages of both the 30-day and 90-day options. Ms. Varela emphasized that assessments are due by the 10th day of the following month.

Motion 1:

Mr. Harrell moved that the Council approve the implementation of late payment fees and interest charges as follows:

- 5% one-time late fee for assessments not received within 90 days of the due date.
- 1% monthly interest on the outstanding balance, including any late fee and accrued interest following 90 days, continuing until the full balance is paid.

The motion was seconded by Mr. Wright.

Roll-Call Vote:

7 Yes | 4 No | 3 Abstain

Result: Motion did not pass.

Motion 2:

Mr. Wright moved that the Council approve the implementation of late payment fees and interest charges as follows:

- 5% one-time late fee for assessments not received within 30 days of the due date.
- 1% monthly interest on the outstanding balance, including any late fee and accrued interest following 30 days, continuing until the full balance is paid.

The motion was seconded by Ms. Walden-Ralls. Further discussion ensued. Mr. Zaffarano requested clarification on the calculation of late fees and interest. Ms. Warden explained that the calculations would be based on Form 1 reporting and the corresponding accounts-receivable balance.

Roll-Call Vote:

Motion passed unanimously.

UPCOMING IN PERSON COUNCIL MEETINGS

Ms. Warden announced that the next in-person Council meetings are scheduled for February 11, 2026, and July 29, 2026.

V. ADJOURNMENT

Mr. Wright to adjourn the meeting. The motion was seconded by Ms. Walden-Ralls and the motion passed. The meeting was adjourned at 2:52 p.m. Central Time.



AMERICAN PECAN COUNCIL MEETING AGENDA

August 14, 2025

1:00 p.m. Central Time

Virtual Meeting

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. APPROVAL OF PREVIOUS MINUTES**
- IV. OLD BUSINESS**
 - A. Delegation of Budgetary Authority – International Committee
 - B. Approval of Revised FY 26 Budget
 - C. Proposed Order Changes
- V. ADJOURNMENT**



Attendee List

Council Members Present:

Justin Jones
Dr. Lenny Wells
Randy Stephens
Larry Don Womack
Alexander Wright
Josh Bowman
Alex Willson
Evo Soria
Jared Miller
Brandon Harrell
Will Easterlin

Erika Hinsberger
Brent Brinkley
Vada Lucas
Deborah Walden-Ralls
Mark Hendrixson
Jeff Worn
Steve Zaffarano
Greg Salopek
Mark Hamilton
Dr. Luis Ribera

Due to the vacancy in Eastern Region Grower Seat 1, Mr. Brinkley, as an alternate, was seated in the Member seat for the duration of the meeting.

Due to the vacancy in Eastern Region Grower Seat 3, Mr. Lucas, as the alternate for Central region Seat 3, was seated in the Member seat for the duration of the meeting.

Due to the vacancy in Western Region Grower Seat 2, Ms. Walden-Ralls, as the alternate, was seated in the Member seat for the duration of the meeting.

Due to the vacancy in Eastern Region Sheller Seat 1, Mr. Worn, as the designated alternate was seated in the Member seat for the duration of the meeting.

Due to the vacancy in Central Region Sheller Seat 1, Mr. Zaffarano, 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
Sarah Richardson, USDA AMS

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

APC Staff Present:

Anne Warden, APC staff

Additional Attendees:

Blair Krebs

Daniel Zedan