

AMERICAN PECAN COUNCIL

GENERAL COUNCIL MEETING MINUTES

FRIDAY

September 28, 2018

10:00 a.m. Central Time

<https://zoom.us/j/172901730>

or

CONFERENCE CALL

DIAL: 1-646-876-9923

PASSCODE: 172 901 730

MINUTES

CALL TO ORDER

Chairman Mike ADAMS called the conference call/ meeting of the Council to order at 10:02 a.m. The following Directors were in attendance:

REGION	SEAT	MEMBER	ALTERNATE
Easter Grower	1	X - Buck A. PAULK	Angie ELLIS
Eastern Grower	2	X - Trent MASON	
Eastern Grower	3	X - Molly WILLIS	
Eastern Sheller	1	X - Jeff WORN	Adam C. HARRELL
Eastern Sheller	2		
Central Grower	1	X - Mike ADAMS	
Central Grower	2	Michael L. SPRADLING	X - Lalo MEDINA
Central Grower	3	X - Billy Scott LANDGRAF	Mike MONTGOMERY
Central Sheller	1	X - Dan ZEDAN	Steve ZAFFARANO
Central Sheller	2	X - William D. "Dan" YORK Jr.	Rickey JONES
Western Grower	1	X - Louie J. SALOPEK	Frank SALOPEK
Western Grower	2	X -G.L. STRALEY	
Western Grower	3		X - John HEULER
Western Sheller	1		X - Deborah E. WALDEN-RALLS
Western Sheller	2	X - Sonja ROEDER	Blake HOUSTON
Accumulator		X - J.B. EASTERLIN	Chad SELMAN
Public			X - Ronald P. HAYS

STAFF:

Alexander J. OTT - American Pecan Council
Jeff SMUTNY - American Pecan Council

OVERSIGHT:

Christian NISSEN - USDA – AMS

GUEST:

Sarah YAFFE - Weber Shandwick

Alison MCMILLON - Weber Shandwick

Caroline LAINIO - Weber Shandwick

Having received a sufficient number of Directors a quorum was established. An “X” identifies those that will be voting members for the meeting.

C. Chairman Update

ADAMS reminded the Council that this is an open meeting and comments from the Councilmembers are Public.

II. MARKETING

A. Scope of Work for 2018 – 2019

In 2017 – 2018 Weber Shandwick put together an effective brand launch campaign entitled “American Pecans – The Original Supernut”. The brand launch was met with great success.

During the August 30, 2018 Council meeting, USDA and the Council requested a scope of work from Weber Shandwick for their work in industry relations and marketing activities for the 2018 – 2019 year. The following is an outline of scope of activities for the APC marketing and industry relations program contracted out to Weber Shandwick. It should be noted that the marketing portion of the program is for the next six months for the peak season.

- MOVED by WORN, duly seconded by MEDINA and unanimously carried THAT the scope of work for Weber Shandwick’s 2018 – 2019 work for industry relations and marketing be approved as presented. **(MOTION 9-28-18 #1)**

B. Marketing Policy Statement

Each year, the Council must adopt a Marketing Policy Statement. The purpose of the Marketing Policy Statement is to outline the activities of the Council for the upcoming year. Based on information, statistics, and feedback from the industry, the Council’s statement identifies areas of focus and promotion. The Marketing Policy Statement must also follow several USDA points in order to be approved under the Federal Marketing Order rules and regulations.

During the August 30, 2018 meeting, there was some additional questions regarding the statement. As a result, the Council elected to move the approval of the statement to a later meeting in order to address and clarify some of the points raised by USDA and the industry. The following is the proposed Marketing Policy Statement for approval.

OTT & SMUTNY presented some changes and language that should be amended into the marketing policy statement that was discussed with USDA relating to market conditions.

- MOVED by L. SALOPEK, duly seconded by ZEDAN and unanimously carried THAT the marketing policy statement be approved as amended. **(MOTION 9-28-18 #2)**

III. STRATEGIC PLANNING

A. Selection of Strategic Planning Consultant

As part of the 90-day transition plan presented to the Council by the Executive Director included a plan for a comprehensive strategic session. A Request For Proposals (RFP) was sent out and several companies contacted the Council. During the August 30, 2018 Council meeting, a working group was established by the Council to interview and review all applicants applying for the Strategic Planning Program. One of the applicants withdrew their proposal.

Proposals were very competitive and offered a range of activities for the Council. However, one proposal excelled all others, providing a comprehensive program over 12 weeks, with several follow-ups throughout the year.

Deliverables include:

- A Clear APC Vision and strategy that will enable sustained pecan industry profitability;
- Consistent fact-base with a quantitative evaluation of market, competitors, and customers;
- Top Priority strategic focus areas (3-5 critical initiatives) that ALL APC stakeholders agree to and support;
- List of detailed sub-initiatives and a collaborative process to align on these actions; and
- Implementation plan with org structure, capability requirements and check-ins after the project ends.

Staff has forwarded the Council the presentation of BCG.

Once the finalist is approved, staff will work with the company to begin putting together dates, materials, and presentations for the Council as the APC begins its strategic planning process. The purpose of the plan will give a one, three, five and ten-year outlook. Those wishing to participate in the strategic planning process will include the working group and other council members or alternates wishing to participate. Once the plan is completed, the program will be unveiled and approved by the APC.

FISCAL IMPACT: Currently, the APC has \$7.9 million cash on hand. There is an anticipated 4 – 5 million carry over to the 2018 – 2019 Fiscal year. If \$2.2 million is approved, \$1.2 million will be used for the existing 2017 – 2018 FY. The remainder will be taken out of the 2018 – 2019 FY Reserve. In short, the Council has dollars to pay for this vital program while still maintaining a healthy reserve.

*SPRADLING joined the meeting, MEDINA becomes an alternate and SPRADLING became a voting member for this issue.

Councilmembers WILLIS, WORN, ADAMS, SPRADLING, MEDINA, ZEDAN, ZAFFARANO, SALOPEK, and ROEDER spoke in favor of the proposal.

- MOVED by ROEDER, duly seconded by L. SALOPEK and unanimously carried THAT the Council approve the recommended company BCG for its Strategic Planning Program AND that the Executive Director with oversight by the Chairman negotiate a successful contract that shall not exceed \$2.2 million. (MOTION 9-28-18 #3)

III. EXECUTIVE SESSION

Chairman ADAMS called for the Executive Session to discuss terms of contract for BCG. No Action Taken.

IV. NEW BUSINESS

NONE

VII. ADJOURNMENT

- MOVED by ZEDAN, duly seconded by L. SALOPEK and unanimously carried THAT the Council adjourn at 11:43am. (MOTION 9-28-18 #4)



Alexander J. Ott
Executive Director

SUMMARY OF ACTIONS FOR SEPTEMBER 28, 2018

MOTION 9-28-18 #1

MOVED by WORN, duly seconded by MEDINA and unanimously carried THAT the scope of work for Weber Shandwick's 2018 – 2019 work for industry relations and marketing be approved as presented.

MOTION 9-28-18 #2

MOVED by L. SALOPEK, duly seconded by ZEDAN and unanimously carried THAT the marketing policy statement be approved as amended.

MOTION 9-28-18 #3

MOVED by ROEDER, duly seconded by L. SALOPEK and unanimously carried THAT the Council approve the recommended company BCG for its Strategic Planning Program AND that the Executive Director with oversight by the Chairman negotiate a successful contract that shall not exceed \$2.2 million.

MOTION 9-28-18 #4

MOVED by ZEDAN, duly seconded by L. SALOPEK and unanimously carried THAT the Council adjourn at 11:43am.

