



AMERICAN PECAN COUNCIL

FULL COUNCIL

WEDNESDAY

APRIL 28, 2021

10:00 a.m. Central Time

Zoom Meeting:

Zoom Link

<https://us02web.zoom.us/j/84772823767?pwd=Sy9XZlBPcGRaWE85dzUrZnZnTlZzZz09>

or

Dial In: 1 346 248 7799

Meeting ID: 847 7282 3767

Password: 134539

MINUTES

I. CALL TO ORDER – Mike Adams, Chairman

A. ROLL CALL

<u>REGION</u>	<u>SEAT</u>	<u>MEMBER</u>	<u>✓</u>	<u>ALTERNATE</u>	<u>✓</u>
Eastern - Grower	1 (2024)	Trent Mason	x	Angie S. Ellis	x
Eastern - Grower	2 (2022)	Buck Paulk	x	Brent Brinkley	x
Eastern - Grower	3 (2022)	Lenny Wells	x	John D. Taylor	x
Eastern - Sheller	1 (2024)	Jeff Worn	x	VACANT	_____
Eastern - Sheller	2 (2022)	Lawrence Willson	x	VACANT	_____
Central - Grower	1 (2024)	Shannon F. Ivey	x	Lalo Medina	x
Central - Grower	2 (2022)	Mike Adams	x	Mike Spradling	_____
Central - Grower	3 (2024)	Larry D. Womack	x	Billy. Scott Landgraf	x

Central - Sheller	1 (2024)	VACANT	_____	Steve Zaffarano	_____
Central - Sheller	2 (2022)	William D. "Dan" York, Jr.	x	VACANT	_____
Western - Grower	1 (2024)	Louie J. Salopek	x	Kortney Chase	x
Western - Grower	2 (2022)	Leslie L Daviet II	x	Frank Paul Salopek	x
Western - Grower	3 (2024)	Phillip Arnold	x	John Heuler	x
Western - Sheller	1 (2024)	Deborah E. Walden-Ralls	x	Bruce Caris	_____
Western - Sheller	2 (2022)	Blake Houston	x	Sonja Roeder	x
Accumulator	(TBD)	Will Easterlin	x	Mark Hamilton	x
Public	(TBD)	Ron Hays	x	Dr. Steve Blizzard	x

Staff:

Alexander OTT	American Pecan Council
Jeff SMUTNY	American Pecan Council
Emma GARNER	American Pecan Council
Julianna KECK	American Pecan Council
Kristi MOSQUERA	American Pecan Council
Deborah BARNETT	American Pecan Council

OVERSIGHT:

Chris NISSEN	USDA
Jen VARELA	USDA
Abby COMPOS	USDA
Thomas NALEPA	USDA
Steven KAUFFMAN	USDA

EAST:

Andy HARRISON
Matthew BAILEY
Samantha MC CLOUD
Keith ELLIS
Milly ADAMS
Kyle BURK

CENTRAL:

Dan ZEDAN
Molly MCFERRAN
Catherine CLARK
Allison MC MILLON
Sarah YAFFE
Blair KREBS
Kevin IVEY
Nicole TAYLOR

WESTERN: N/A

B. ESTABLISH QUORUM

Having received a sufficient number of Council members a quorum was established at 10:08 a.m., Central Time.

C. CHAIRMAN UPDATE & EXECUTIVE DIRECTOR UPDATE

Chairman Mike ADAMS thanked everyone for their commitment, involvement, and time given to the American Pecan Council.

D. APPROVAL OF PREVIOUS MINUTES

MOVED by Les DAVIET, duly seconded by Louis SALOPEK and unanimously carried THAT the minutes of October 1,2020 be approved.
(MOTION 4-28-2021 #1)

II. GOVERNANCE COMMITTEE

A. FINANCIALS

Armstrong Backus oversees the financials of the APC.
The Council Treasure Deborah WALDEN RALLS presented the latest financial report.

MOVED by Larry WOMACK, duly seconded by Ron HAYS and unanimously carried THAT the Council approve the financial report presented. **(MOTION 4-28-2021 #2)**

B. FAIR ACT STUDY

BACKGROUND: Every five years, a Federal Marketing Order must conduct a study that demonstrates the benefits of the Order. This is a requirement under the Federal Activities Inventory Reform (FAIR) Act. In order to conduct the study, the American Pecan Council must hire a reputable firm or University to conduct the study.

In order to meet this requirement, the APC through a Request for Proposal, hired Texas A&M to conduct the mandatory FAIR ACT study. Results of the study were outlined in the Executive Summary. The Executive Summary states:

The primary conclusion from the promotion analysis is that, despite its relatively recent launch, the American Pecan Council has effectively enhanced domestic and export demand for U.S. pecans over 2016/17 through 2019/20 through its generic promotion activities and generated a relatively high rate of return to pecan producers who have paid for the promotion over that period. The principal accomplishment of the APC domestic and export promotion program has been to support the annual average producer price of pecans about 24¢/lb (11%) above the level to which it might have fallen over the period of 2016/17 through 2019/20 if the promotion had not been done. Given APC promotion expenditures (including MAP funds but excluding administrative costs), the benefit-cost ratio for the APC promotion program for 2016/17 through 2019/20 is calculated at 9.9, meaning that the promotion returned \$9.9 in profit to pecan producers for every dollar spent on promotion.

A complete copy of the report is located on the APC's website. Also, all pecan associations, councilmembers, and trade and press publications were given copies of the report. Please take the time to share the conclusions with your constituencies as the report shows the effectiveness of the Federal Marketing Order.

III. INTERNATIONAL COMMITTEE

A. INTERNATIONAL MARKETING ACTIVITIES & UPDATES

The APC will review activities and research that took place during the first half of FY21.

- Weber Shandwick China;
- China Research Study;
- EU Request for Proposals;
- Current Export Data; and
- Upcoming Events

IV. INDUSTRY RELATIONS COMMITTEE

A. ELECTRONIC REPORTING

Updates of the electronic reporting platform is listed below.

- APC has been working with Fishhook to develop the electronic reporting portal. After feedback from the Electronic Reporting Working Group, we were able to make adjustments and additions to the portal prior to the 2020 crop year.

- Webinar - APC hosted an introductory webinar on Monday, August 31, to familiarize handlers with the Pecan Portal and the updated 2020 crop year reporting forms prior to its official launch at the beginning of September. The recorded webinar has been published in the Handler Portal of the American Pecan website. Also, a portal quick start guide was included in the 2020-2021 handler packets to serve as a brief user manual to the platform. APC is looking at conducting more webinars in the upcoming months to go over additional features and tools added and welcome any feedback.
- Official Launch - The platform was successfully launched at the beginning of the crop year. Handlers have been able to submit their forms for the 2020 crop year in the portal. We have received very positive feedback on how much the portal has really helped streamline the reporting process and cut down reporting time.
- Handler Analytics – APC and Fishhook have completed a bulk import of all historical data which is necessary for the build out of the handler analytics tool. It is currently hosted in the backend of the portal to ensure the report and graph functions are working properly. Once final testing is complete, we will notify industry of the official launch.

B. INDUSTRY AUDIT

Updates of the handler audits for the 2017 and 2018 crop year audits.

- APC has contracted with Moss Adams to conduct randomly selected third party audits on 25% of all handlers for each crop year to ensure the accuracy of the data submitted to the Council office. Moss Adams completed the 2017 and 2018 crop year audits.
- Data Amendments – APC staff works with each handler to address any findings during the audit regarding their reporting. On top of that, APC has also identified handlers who have not been reporting or paying an assessment, and have helped bring them into compliance with the Federal Marketing Order. Both items described have factored into the amendments of reports.
- Moss Adams will be making handler selections for the 2019 crop year handler audits, APC staff is currently working on gathering the necessary information and documents received for Moss Adams review.

V. MARKETING COMMITTEE

A. REVIEW OF 2020 - 2021 ACTIVITIES

The APC and its marketing partners will review the marketing campaigns and activities that took place during the first half of FY21.

- Weber Shandwick;
- Digital Magnet;
- Aspire IQ;
- Eat Well Global;
- Health Study & NPSA Update;
- Measurable Results; and
- Upcoming Events

VI. GRADES, STANDARDS & RESEARCH COMMITTEE

A. K-COE – QUALITY ASSURANCE PROGRAM

- Quality Assurance Program –APC is currently in development of a voluntary Quality Assurance Program for the industry. APC contracted with K-Coe Isom to develop the program. Phase 1 of the program has been complete where we conducted a materiality assessment to identify the needs specific to the U.S. pecan industry as well as stakeholders, retail/buyers, and consumers.
- We are currently in Phase 2 of the project. The Quality Assurance Program has been drafted. We continue to meet with the QAP working group and other industry members to make program adjustments. Based on additional feedback received, we are looking at creating a separate certification program for native crop due to the differences in practices. APC met with native growers to discuss. We will be developing a native working group to begin exploring the possibility of developing a native certification program.
- The APC is also exploring industry opportunities related to the anticipated development of carbon markets. APC continues to have conversations with experts and industry members about how to best position the industry to take advantage of opportunities presented.

B. INSHELL & KERNEL STANDARDS

Inshell & Shelled Meats Standards – APC recently approved revised standards for both Inshell and Shelled Meats. APC staff submitted as a package to USDA. There are currently two items for the inshell standards that require further clarification. APC staff is awaiting feed back from working group members

Regarding these matters. Once further clarification is received, USDA will move forward with finalizing the standards.

VII. NEW BUSINESS

VIII. ADJOURNMENT

MOVED by Les DAVIETT, duly seconded by Louie SALOPEK and unanimously carried THAT the council meeting be adjourned at 12:34 p.m. (**MOTION 4-28-2021 #3**)



Deborah Barnett
Operations Manager
American Pecan Council

8.10.2021

Date

SUMMARY OF ACTIONS FOR APRIL 28, 2021

MOTION 4-28-2021 #1

MOVED By Les DAVIET, duly seconded by Louie SALOPEK and unanimously carried THAT the Council approve the financial report presented.

MOTION 4-28-2021 #2

MOVED by Larry WOMACK, duly seconded by Ron HAYS and unanimously carried THAT the Council approve the financial report presented.

MOTION 4-28-2021 #3

MOVED BY Les DAVIETT, duly seconded by Louie SALOPEK and unanimously carried that the council meeting be adjourned at 12:34 p.m.