AMERICAN PECAN COUNCIL

FULL COUNCIL

TUESDAY
July 25, 2023
10:00 a.m. Central Time

https://us02web.zoom.us/j/84564079949?pwd=QnllS2U1YlgxT2t4d0dNNk5tOVhCdz09

or
Dial In: +1 346 248 7799
Meeting ID: 845 6407 9949
Passcode: 826105

MINUTES

I. CALL TO ORDER – Larry Don Womack, Chairman, 10:02

A. ROLL CALL

Trent MASON called the roll. The following Council members were present:

Eastern Region Growers

<table>
<thead>
<tr>
<th>Seat</th>
<th>Member</th>
<th>Alternate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Trent Mason (GA)</td>
<td>Angie Ellis (GA)</td>
</tr>
<tr>
<td>2</td>
<td>Justin Jones (GA)</td>
<td>Brent Brinkley (GA)</td>
</tr>
</tbody>
</table>
| 3    | Lenny Wells (GA)  | Molly Willis |}

Central Region Growers

<table>
<thead>
<tr>
<th>Seat</th>
<th>Member</th>
<th>Alternate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shannon F. Ivey (TX)</td>
<td>Lalo Medina (TX)</td>
</tr>
<tr>
<td>2</td>
<td>Mike Spradling (OK)</td>
<td>Randy Stephens (TX)</td>
</tr>
</tbody>
</table>
| 3    | Larry D. Womack (TX) | Billy Scott Landgraf (OK) |}

Western Region Growers

<table>
<thead>
<tr>
<th>Seat</th>
<th>Member</th>
<th>Alternate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Louis J. Salopek (NM) X</td>
<td>Kortney Chase (NM)</td>
</tr>
<tr>
<td>2</td>
<td>Frank P. Salopek (NM)</td>
<td>Deborah W. Ralls (AZ) X</td>
</tr>
<tr>
<td></td>
<td>Phillip Arnold (NM) X</td>
<td>John L. Heuler (CA) X</td>
</tr>
</tbody>
</table>

Eastern Region Growers
Jeff Worn (GA) X Vacancy
2 Alex Willson X John D. Taylor

Central Region Shellers

Seat Member Alternate
1 Steve Zaffarano (TX) X Pending
2 Jared Miller Vacancy

Western Region Shellers

Seat Member Alternate
1 Pending Vacancy
2 Vacancy Vacancy

Accumulator

Seat Member Alternate
1 Will Easterlin (GA) X Mark Hamilton (OK) X

Public Member

Seat Member Alternate
1 Ron Hays (OK) Dr. Steve BLIZZARD (TX)

STAFF:

Alexander OTT American Pecan Council
Jeff SMUTNY American Pecan Council
Deborah BARNETT American Pecan Council
Kristi MOSQUERO American Pecan Council
Alexis ARD American Pecan Council
Emma GARNER American Pecan Council
Lesley ONEAL American Pecan Council

OVERSIGHT:

Abigail MAHARAJ USDA
Chris NISSEN USDA

GUEST:

Maggie PEPPER
Gayla THORNTON
Ashlie LEWIS
Cathrine CLARK
Blair KREBS
Kevin RANDOPH
Will CULLERS
Jenny HEEP
Matthew BAILEY

Deborah W. RALLS agreed to perform as a voting member for Frank SALOPEK who is absent.
B. ESTABLISH QUORUM
A quorum was established at 11:05 a.m.

C. CHAIRMAN UPDATE & EXECUTIVE DIRECTOR UPDATE
Chairman WOMACK thanked everyone for attending today’s meeting. He also thanked all that have been supporting the Pecan Industry by attending many events in different states.

Executive Director Alex OTT spoke about helping with a smooth transition as many changes are being made in the APC office.

D. APPROVAL OF PREVIOUS MINUTES
1) March 21, 2023
   MOVED by Louie SALOPEK, and duly seconded by Phillip ARNOLD, unanimously carried THAT the Council approve the minutes of March 21, 2023, as presented. (MOTION 7/25/2023 #1)

II. CONSENT ITEMS
   A. Approval of Legal Counsel for Employee/Contractor Related Activities
   B. Approval of Line-Item Transfers with Oversight by Chairman
   C. Approval of No-Costs Extensions with Oversight by Chairman
   D. Approval of Utilizing Reserve Dollars to Assist in Funding 2023 – 2024 Budget
   E. Approval of Committees to Approve Contractors for Committee-Related Activities
   F. Approval of International Committee to approve MAP & EMP Expenditures

   MOVED by Trent MASON, duly seconded by Deborah W. RALLS and unanimously carried THAT the Council approve the Consent Items as listed A through F. (MOTION 7/25/2023 #2)

III. GOVERNANCE COMMITTEE
   A. FINANCIALS
      Treasurer Lalo MEDINA presented a short overview of the current financials.

   B. REVIEW & APPROVAL of FINANCIAL AUDIT – Presented by Eide Baily
      Kevin RANDOPH presented the Eide Baily financial audit report.

      MOVED by Louie SALOPEK, duly Seconded by Justin JONES and unanimously carried THAT Council approve the financial audit, year ending September 30, 2022 as presented. (MOTION 7/25/2023 #3)

   C. APPROVAL OF COMPLIANCE PROGRAM 2023-2024
      Jeff SMUTNY gave an explanation of the E-Compliance Program.

      MOVED by Louie SALOPEK, duly seconded by Randy STEPHENS and Unanimously carried THAT the Council approve the E-Compliance Program for 2023-2024 as presented. (MOTION 7/25/2023 #4)

   D. UPDATE ON ADJUSTMENT OF HANDLER SEATS
MOVED by Deborah W. RALLS, duly seconded by Shannon IVEY, and unanimously carried THAT the Council approve the proposed amendments regarding the adjustment of handler seats.  (MOVED 7/25/2023 #5)

IV. INTERNATIONAL COMMITTEE

Will EASTERLIN said that they are very happy with the meetings in Europe and happy that we are engaging the Garden in India.

A. UPDATE ON INTERNATIONAL PROJECTS
   Jeff SMUTNY gave an overview of all the marketing activities.

V. INDUSTRY RELATIONS COMMITTEE

Justin JONES shared the positive impact of getting out to different industry events.  Having Members of the Council and staff spending time in many different states face-to-face, and having great interaction has been productive and very positive.

A. UPDATE ON INDUSTRY RELATIONS ACTIVITIES
   Emma GARNER gave an overview of Industry Relations activities.

VI. MARKETING COMMITTEE

Steve ZAFFRANO and Jeff SMUTY gave a report on current marketing activities. Alexis ARD explained the summer marketing programs.

A. APPROVAL OF MARKETING POLICY STATEMENT FOR 2023 – 2024

MOVED by Trent MASON, duly seconded by Phillip ARNOLD and unanimously carried THAT the Council approved the proposed Marketing Policy for 2023/2024.  (MOVED 7/25/2023 #6)

VII. GRADES, STANDARDS & RESEARCH COMMITTEE

A. VOLUNTARY QUALITY ASSURANCE PROGRAM UPDATE

Trent MASON spoke about whether the pecan industry wants a Grades and Standard program.  in order to move forward there needs to be more industry support and input on the future of the program.  A presentation was given about the history of the program and the current status of the program.  Also, updated report was given about the Shelf-life study from NAPS being conducted through the University of Georgia.

VIII. APPROVAL OF TOTAL GENERAL BUDGET
### Projected Revenue

<table>
<thead>
<tr>
<th>Projected Revenue</th>
<th>Dollars</th>
<th>% of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>23-24 Improved</td>
<td>$2,610,000</td>
<td>40%</td>
</tr>
<tr>
<td>23-24 Native/Seedlings</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>23-24 Substandard</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>2023 MAP Funding</td>
<td>$1,700,000</td>
<td>26%</td>
</tr>
<tr>
<td>2023 EMP Funding</td>
<td>$500,000</td>
<td>7%</td>
</tr>
<tr>
<td>Past Outstanding</td>
<td>$400,000</td>
<td>6%</td>
</tr>
<tr>
<td>Carry Over</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Shelf-Life</td>
<td>$100,108</td>
<td>11%</td>
</tr>
<tr>
<td>- IRI</td>
<td>$150,000</td>
<td></td>
</tr>
<tr>
<td>- Health Research</td>
<td>$385,000</td>
<td></td>
</tr>
<tr>
<td>Reserve Dollars</td>
<td>$635,108</td>
<td>11%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$5,845,108</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Projected Expenditures

<table>
<thead>
<tr>
<th>Departments</th>
<th>Budget 2022 – 2023</th>
<th>Budget 2023 – 2024</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry Relations</td>
<td>$505,000</td>
<td>$505,000</td>
<td>9%</td>
</tr>
<tr>
<td>General Administration</td>
<td>$420,800</td>
<td>$420,800</td>
<td>7%</td>
</tr>
<tr>
<td>Compliance</td>
<td>$250,000</td>
<td>$250,000</td>
<td>4%</td>
</tr>
<tr>
<td>Contract/Management/Staff</td>
<td>$573,000</td>
<td>$573,000</td>
<td>10%</td>
</tr>
<tr>
<td>Marketing</td>
<td>$914,000</td>
<td>$914,000</td>
<td>15%</td>
</tr>
<tr>
<td>Grades &amp; Standards</td>
<td>$80,000</td>
<td>$80,000</td>
<td>1%</td>
</tr>
<tr>
<td>International Relations</td>
<td>$2,625,000</td>
<td>$2,625,000</td>
<td>45%</td>
</tr>
<tr>
<td>Contingency</td>
<td>$542,200</td>
<td>$477,308</td>
<td>9%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$5,910,000</td>
<td>$5,845,108</td>
<td>100%</td>
</tr>
</tbody>
</table>

### NO-COSTS EXTENSIONS FOR 2022 – 2023 (Continued Projects from Current Year)

<table>
<thead>
<tr>
<th>Departments</th>
<th>Budget 2023 – 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td></td>
</tr>
<tr>
<td>Shelf-Life Study</td>
<td>$100,108</td>
</tr>
<tr>
<td>IRI</td>
<td>$150,000</td>
</tr>
<tr>
<td>Health Research</td>
<td>$385,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$635,108</td>
</tr>
</tbody>
</table>

MOVED by Louie SALOPEK, duly seconded by Randy STEPHENS, and unanimously carried THAT Council Approve the 2023-2024 FY Budget. (MOTION 7/25/2023, #7)

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**IX. NEW BUSINESS**

N/A
X. **ADJOURNMENT**  
Larry Don WOMACK announced the adjournment of the meeting at 11:02 a.m.

The Council held an Executive Session.

During Executive Session, the Council agreed to renew the vendor contracts for the 2023-24 FY: Analytical Edit, E. Garner Consulting, LLC and KJM Ventures, LLC. In addition, the Council agreed to consider Alex Ott in the interim, should there be a delay of the start of the new Executive Director.
SUMMARY OF ACTIONS FOR JULY 25, 2023

MOTION 7/25/2023 #1
MOVED by Louie SALOPEK, and duly seconded by Phillip ARNOLD, unanimously carried THAT the Council approve the minutes of March 21, 2023, as presented.

MOTION 7/25/2023 #2
MOVED by Trent MASON, duly seconded by Deborah W. RALLS and unanimously carried THAT the Council approve the Consent Items as listed A through F.

MOTION 7/25/2023 #3
MOVED by Louie SALOPEK, duly seconded by Justin JONES and unanimously carried THAT Council approve the financial audit, year ending September 30, 2022 as presented.

MOTION 7/25/2023 #4
MOVED by Louie SALOPEK, duly seconded by Randy STEPHENS and Unanimously carried THAT the Council approve the E-Compliance Program for 2023-2024 as presented.

MOVED 7/25/2023 #5
MOVED by Deborah W. RALLS, duly seconded by Shannon IVEY, and unanimously carried THAT the Council approve the proposed Amendments regarding the adjustment of handler seats.

MOVED 7/25/2023, #6
MOVED by Trent MASON, duly seconded by Phillip ARNOLD and unanimously carried THAT the Council approved the proposed Marketing Policy for 2023/2024.

MOTION 7/25/2023, #7
MOVED by Louie SALOPEK, duly seconded by Randy STEPHENS, and unanimously carried THAT Council Approve the 2023-2024 FY Budget.