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BUDGET & NOMINATIONS MINUTES

10AM – JUNE 8, 2023
ZOOM AND IN PERSON

Chairman Steve Cargil called the meeting to order. Members Present: Will Beckwith, Thomas Hanka, Bret Erickson (zoom), Don Ed Holmes, Will Steele (zoom), Steve Cargil (zoom).

Alternates Present: Wayne Reavis (zoom), Kristen Davis (zoom), Jay Williams (zoom), Tony Martinez, Mike Davis (zoom), Nano S Tafolla (zoom).

Others Present: Abigail Maharaj and Delaney Fuhrmeister, USDA; Noel Carreon and Manuel Saldivar, TCIP; Hector Garza, Lilly Garcia and Dante Galeazzi, STAFF STOC.

The meeting was held with an in-person element at the TIPA offices, but most participation was by way of the Zoom platform.

- I. Texas cull onions idea: Immune & Health benefits for supplements
 - Dr. Luis Cisneros presented to the Committee a proposal "South Texan hort crops enhance the immune system, prevent chronic diseases and reach alternative high value health markets"
 - Background:
 - Obesity, Diabetes, cardiovascular disease are increasing
 - Increases medical expenses.
 - High demand for healthy foods – it is a Trend.
 - There are companies (buyers) that are searching for strategic partnerships.
 - We generate science-based info that can be used as marketing tools and connect farmers with buyers for business.
 - Proposal:
 - Generate scientific info on immune response and against the metabolic syndrome.

- Publications and Press releases through TAMU
- Generate standardized powder blends as food ingredients or dietary supplements.
- Identify strategic partners and buyers.
- Timeline: 1 year
- Budget: \$70 – 100K

II. Roll Call

- Lilly Garcia conducted roll call – a quorum was present.

III. Elections of 2022-2023 Officers

- Chairman – Steve Cargil
- Vice-Chairman – Will Beckwith
- Secretary – Thomas Hanka
- Treasurer - Marcus Forthuber

- **Motion to renominate the chairman, secretary and treasurer positions and nominate the vice chairman made by Thomas Hanka; seconded by Don Ed Holmes. Unanimously approved.**

IV. Approval of Minutes (Previously mailed)

- November 09, 2022 -- Organizational minutes

- **Motion to approve the November 9th meeting minutes made by Bret Erickson; seconded by Don Ed Holmes. Unanimously approved.**

V. Review and Approval of By Laws and Internal Controls

- By Laws (no changes)

- **Motion to approve the 2023-2024 Bylaws with no changes made by Thomas Hanka; seconded by Kristen Davis. Unanimously approved.**

- Internal Controls with changes

Manager Dante Galeazzi asked the Committee to raise the travel voucher during visits to district 2 and out of area productions. The per diem for food was based on the GSA rate and mileage driven, the hotel rate is based on the cost to stay at the Holiday Inn in Uvalde for 2 nights, in order to conduct STOC business to pay for 2 nights and 3 days of meals.

- **Motion to approve the increase of the travel voucher from \$405 to \$570 made by Will Steele; seconded by Tony Martinez. Unanimously approved.**

VI. STOC Marketing efforts

- Can Texas Onion handlers co-mingle colors in the same bag?
 - Yes, so long as the onions are larger than a prepack and the bag/unit has the appropriate designations of the contents printed on them.
 - Dante provided a printed guidance document which referenced the approval language from multiple sources.

Further, no changes needed to FMO 959. Current conditions permit packing of mixed colors

- Remove district designations from committee requirements?
 - Dante discussed the on-going difficulties in filling D2 Producer spots, pointing to current vacancies. Suggested that since 87% of production was in D1, that STOC remove district-representation requirements from board seats.
- **Motion to remove district 1 and 2 seat positions opening positions to any qualified producer or handler in the identified region of FMO 959 made by Thomas Hanka; seconded by Will Beckwith. Unanimously approved.**
 - Diversify Committee member make-up.
 - Suggestion to add an Allied (seed, chemical, research, marketing, packaging, transportation, etc...) member and alternate position to the Committee and given a vote during meetings.
- **Motion to add the allied language and positions made by Thomas Hanka; seconded by Don Ed Holmes. Unanimously approved.**
 - Allow to accept outside funds and grants.
 - Staff will work on language to change the marketing order to be able to accept grant funding.
 - Suggested language: "The Committee may accept voluntary contributions. Such contributions may only be accepted if they are free from any encumbrances or restrictions on their use and the Committee shall retain complete control of their use. The Committee may receive contributions from both within and outside of the production area."
- **Motion to change the language to accept grant funds made by Kristen Davis; seconded by Tony Martinez. Unanimously approved.**
 - Restore original order's intent to termination section.
 - Current FMO 959 language states that during a Continuation Referendum - to keep or terminate the marketing order - a total of two-thirds (67%) the votes must be in support. This means even if a majority (51%) of votes approve to keep the order, it's not enough. This issue occurred during the last 2 termination referendums when both times, a first vote produced great than 50% in favor but failed to meet the 67% threshold.
 - Recommendation that STOC change the language of 959.84(d) to read as: "...The Secretary would consider termination of this part if less than fifty (50) percent of the growers voting in the referendum and growers of less than fifty (50%) percent of the volume of onions represented in the referendum favor continuance."
- **Motion to make this change made by Mike Davis; seconded by Will Steele. Unanimously approved.**

- VII. Review and Approve Financial Report, Budget & Administrative Agreement
- May 2023 Unaudited Financial Report
 - **Motion to approve the unaudited May 2023 report made by Will Beckwith; seconded by Bret Erickson. Unanimously approved.**
 - Administrative Agreement with TIPA
 - **Motion to approve the Administrative Agreement with TIPA made by Will Steele; seconded by Tony Martinez. Unanimously approved.**
 - 2023-2024 Budget & Assessment Rate
 - After a brief discussion the Committee agreed on an estimated 3,600,000 pack out with an assessment rate of \$0.06 per 50lb equivalent totaling \$216,000 in revenue.
 - **Motion to approve the 2023-2024 budget with 3,600,000 pack out, \$0.06 assessment rate per 50lb equivalent totaling \$216,000 made by Will Steele; seconded by Mike Davis. Unanimously approved.**
- VIII. New/Old Business
- Funding Plan to continue marketing for Texas 1015 Sweet Onions
- IX. Adjourn
- **Motion to adjourn made by Will Steele; seconded by Mike Davis. Unanimously approved.**