



901 Business Park Drive, Suite 500
Mission, TX 78572
Phone (956) 584-9331

BUDGET & NOMINATIONS MINUTES

10AM – JUNE 18, 2024
ZOOM AND IN PERSON

Chairman Steve Cargil called the meeting to order. Members Present: Chad Szutz (zoom), Will Beckwith, Bret Erickson (zoom), Marcus Forthuber, Dennis Holbrook (zoom), Will Steele, Steve Cargil (zoom), and J. Allen Carnes (zoom).

Alternates Present: Wayne Reavis (zoom), Jay Williams (zoom), Tony Martinez, Mike Davis (zoom), Taylor Schuster (zoom), and Nano Tafolla (zoom).

Others Present: Christian Nissan and Delaney Fuhrmeister, USDA; Noel Carreon, South Texas Produce and Imports Solutions; Danielle Sepeda, TDA; Marisol Garza, Lilly Garcia and Dante Galeazzi, Staff.

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 Department of Agriculture

- Dante Galeazzi & Danelle Sepeda discussed that TDA continues to be the party responsible for enforcing FSMA (Food Safety Modernization Act) in Texas
- TDA continues to find many companies lack full compliance and continues to see reoccurring failures such as:
 - i. Lack of personnel with PSR (Produce Safety Rule) certification
 - ii. Lack of hand washing stations or failure to use hand washing before each shift
 - iii. Consumption of food in-field
- Dante pointed out that TDA will be changing to a new online system where previous and current audit findings will be entered and provide suggested audit focus areas in coming year

II. Roll Call

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

III. Elections of 2024-2025 Officers

- Chairman – Steve Cargil
- Vice-Chairman – Will Beckwith
- Secretary – Thomas Hanka

- Treasurer - Marcus Forthuber
 - **Motion to renominate the chairman, vice chairman, secretary and treasurer positions made by Marcus Forthuber; seconded by Will Steele. Unanimously approved.**
- IV. Approval of Minutes (Previously mailed)
- November 01, 2023 -- Organizational minutes
 - Dante mentioned that the tabled item 2022-2023 final audit report will be on the agenda list next organizational meeting.
 - The report was tabled originally because the Marketing Order was not yet approved for continuation until October 2023, so an audit was not suggested
 - This year's audit was not yet performed because invoicing for 2023-2024 year did not begin until May 1, 2024, due to technical issues where the program which produced invoices was not working until that time
 - **Motion to approve the November 1st minutes made by Bret Erickson; seconded by J. Allen Carnes. Unanimously approved.**
- V. Review and Approval of Bylaws and Internal Controls
- Bylaws (no changes)
 - **Motion to approve the 2024-2025 Bylaws with no changes made by Will Beckwith; seconded by Bret Erickson. Unanimously approved.**
 - Internal Controls (no changes)
 - **Motion to approve the 2024-2025 Internal Controls made by Will Beckwith; seconded by Bret Erickson. Unanimously approved.**
- VI. Review and Approve Financial Report, Budget & Administrative Agreement
- May 2024 Unaudited Financial Report
 - Assessment income to date \$247,607.23
 - Expenses to date \$118,740.56
 - **Motion to approve the unaudited May 2024 report made by Chad Szutz; seconded by Marcus Forthuber. Unanimously approved.**
 - Administrative Agreement with TIPA
 - **Motion to approve the Administrative Agreement with TIPA made by Bret Erickson; seconded by Mike Davis. Unanimously approved.**
 - 2024-2025 Budget & Assessment Rate
 - Will Beckwith asked about the \$20,000 line item for Marketing & Research
 - Dante advised that this line was created many years ago to help cover certain costs that grants could not cover and in the current FY none of this money had gone to research
 - Discussion was had by the Committee regarding the status of Mechanical Harvesting grants and research
 - ❖ **ACTION ITEM: Committee requested Dante bring Dr. Steve Searcy to the next STOC meeting for an update on the current research and Texas applications**
 - After a brief discussion the Committee agreed on an estimated 3,600,000 pack out with an assessment rate of \$0.08 per 50lb equivalent totaling \$216,000 in revenue.

- **Motion to approve the 2024-2025 budget with 3,600,000 pack out, \$0.06 assessment rate per 50lb equivalent for operations and \$0.02 assessment rate per 50lb equivalent for marketing, totaling \$216,000 made by Will Steele; seconded by Marcus Forthuber. Unanimously approved.**

VII. TX1015 Onion Marketing

- Sabrina Wilson w/ FullTilt Marketing (FTM) recapped the 2023-2024 Program
 - 2023-2024 program used \$84,773.45 (Year 2 of a grant received from TDA via the USDA's Specialty Crop Block Grant program)
 - Funds helped accomplish:
 - Increased brand awareness
 - Strong online presence in web and social media
 - Audience growth - Facebook and Instagram
 - Strong partnerships with recipe creators in key markets throughout Texas
 - Reaching millions of consumers through work with TX Eats media personality
 - Digital Billboards, Impressions, Clicks, CTR
 - Successful regional restaurant promotion in RGV for last four years – New partnership with McAllen Food Truck Park
 - Creation of new recipe content for use in socials and on the website
 - Paid Newsletter advertising
 - Edible RGV, E-Blast-The Packer, and Influencer Newsletter
 - Sabrina Wilson presented the 2024-2025 recommended Marketing Plan
 - Proposed budget of \$70,000
 - Committee had discussion about input on marketing ideas and how STOC members could better direct such plans/activities
 - Dante advised that at current STOC can only “advise” on grants, but that such decisions would flow through the STOC Marketing Subcommittee
 - Members requested a meeting and participation on the Subcommittee
- ❖ **ACTION ITEM: The Marketing Subcommittee will meet in July 2024 to discuss the plans/strategies for the 2025 season.**

VIII. New/Old Business

- Review possible changes to FMO 959
 - **Participation in Paid Advertising & Other Marketing Activities** – Committee reviewed the USDA 9 Point Justification document with the suggested points of concern from MOAD advisors
 - Q: How will this change benefit the industry?
 - A: Onions will be able to be sold
 - A: Mechanical harvesting
 - A: Identify other markets for cull onions
 - Q: How are things different compared to 2007 when a similar request failed to pass at a referendum?
 - A: Will Steele and Mike Davis said that money (lack of money) was the issue because the Committee didn't have enough to cover regular operations at that time

- A: Mike Davis also mentioned there's a lot more competition from areas like Peru and Washington now and Texas needs to market
- **Accept Contributions** (*ability to accept and use grant money*) - Committee reviewed the USDA 9 Point Justification document with the suggested points of concern from MOAD advisors
 - Dante reminded the committee this was something worked on from 2018 to 2020 and was about to be implemented before COVID and the continuation/termination referendum
- **Addition of an Allied Public Member** – Committee reviewed the USDA 9 Point Justification document with the suggested points of concern from MOAD advisors
 - Dante reviewed; told Committee advice was to adjust the language to be more generic in the order and to add the criteria information into the Bylaws instead. That would allow the Committee to review year-after-year to make changes to the public member position without having to do the justification. The Committee discussed and overwhelmingly supported this idea.
- **Adjusting Termination Language** – Committee reviewed the USDA 9 Point Justification document with the suggested points of concern from MOAD advisors
 - Dante went over the points from the last meetings in which this topic was discussed (May 2023 & October 2023) and the Committee suggestion change from 2/3 approval to “Simple Majority” – i.e. that “over 50% of industry support” be needed to approve the continuation of the marketing order during the referendum.
 - Q: What is the difference between 2015/2020 (last continuation referendums) and 2024?
 - A: Less growers and handlers
 - A: Less water so less acres
 - A: Increases in labor expenses and challenges

IX. Adjourn @ 11.51

- **Motion to adjourn made by Will Beckwith; seconded by Will Steele. Unanimously approved.**