

AMERICAN PECAN PROMOTION BOARD

BOARD MEETING

January 4, 2022

A Board Meeting of the American Pecan Promotion Board (the “Board,” or “APPB”) was called to order by David Salopek, Chairperson of the Board at 2:34pm CST on Tuesday, January 4, 2022.

Participants

Mr. Salopek called on Mr. Quiros to lead a roll-call of the participants and the following persons were present:

Abby Campos, (MDD-SRB)	Jaye Massey
Sue Coleman, (MDD-MARB)	Phillip Arnold
Marlene Betts, (MDD)	Molly Willis
Mike Adams	Paul Quiros
Deborah Walden-Ralls	David Salopek
Guillermo Humphrey	Romulo Garza
Brittan Bagley	John Hutchens
Dennis Hardman	Sally Arn
Maggie Pepper	Mark Hamilton
RG Lamar	Steve Zaffarano
Larry Don Womack	Allison Beadle
Russ Lemieux	Delia Murphy
Alex Ott	Jeff Smutny

Kortney Chase was excused from the meeting. Based on the Board’s attendance, a quorum for the meeting was confirmed.

Approval of Minutes

Mr. Salopek asked for comments regarding the Minutes from the December 7, 2021, Board Meeting. Ms. Betts pointed out a spelling error. Upon motion made by Ms. Walden-Ralls to approve the Minutes with the spelling error corrected, the Board approved the corrected Minutes of the December 7, 2021, Board Meeting.

Collections Update

Mr. Salopek called on Ms. Maggie Pepper, the APPB's representative from Armstrong, Backus & Co., LLP, to update the Board on the assessment collections through December 2021. Ms. Pepper described the assessment collections in total and by states. Mr. Salopek thanked Ms. Pepper for the thorough assessment presentation.

Portal Construction Discussion

Mr. Salopek called on Ms. Walden-Ralls to review the APPB Portal development. Ms. Walden-Ralls reviewed her recent discussions with representatives of Fishhook to define the scope of the APPB Portal development.

Bylaws Update

Mr. Salopek called on the Mr. Quiros to give an update on the bylaws. Mr. Quiros reported on the draft bylaws preparation and the anticipated schedule of delivery and review of the bylaws by the Board.

USDA Update

Mr. Salopek called on Ms. Coleman to present the USDA's report. Ms. Coleman updated the Board on personnel changes at the USDA/AMS. Ms. Coleman also notified the Board that there were government service opportunities at the USDA for recent college graduates through the USDA's Pathways Program.

Marketing Update

Mr. Salopek introduced the marketing update segment of the meeting and asked the Board to note what other Pecan groups are doing regarding Pecan marketing and promotion and introduced the guest speakers.

Mr. Salopek called on Messrs. Ott and Smutny to review the marketing efforts of the American Pecan Council (APC). Messrs. Ott and Smutney reviewed the APC's marketing vendors and programs used from 2017 through 2022 to effectively market Pecans in 14 targeted metropolitan areas. They also reviewed the use of third parties to track the APC's marketing programs penetration and effectiveness. Additionally, they presented on the marketing results on Pecan consumption (up 36% in the last two years) and financial gains for the industry gained through the APC's marketing spend (an average of \$.24 per pound increase). Finally, they presented on the APC's fiscal year 2022 marketing budget and future consumer trends and marketing strategies of the APC.

Mr. Salopek called on RG Lamar of the Georgia Commodity Commission for Pecans (GCC) to describe their marketing efforts. Mr. Lamar described the annual amounts available for marketing by the GCC and its focus on reaching the smallest viable audience for Pecans in Atlanta suburban consumers. Mr. Lamar described the vendors and programs associated with these efforts.

Mr. Salopek called on Mr. Womack to describe the marketing efforts of the Texas Pecan Commission (TPC). Mr. Womack introduced Ms. Beadle, the owner of Wild Hive, who reviewed the marketing efforts for the TPC during 2019 to 2021 focused on Pecan nutrition and consumer outreach.

Mr. Salopek called on Mr. Zaffarano to report on the marketing efforts of the National Pecan Shellers Association (NPSA). Mr. Zaffarano introduced Mr. Lemieux and Ms. Murphy who discussed the efforts of the NPSA over a number of years to influence businesses to buy Pecans from the members of the NPSA. Mr. Lemieux stated that it has been NPSA's

the members of the NPSA. Mr. Lemieux stated that it has been NPSA's strategy to market the benefits of Pecans to business decision makers and to influential chefs and described their practices related to these efforts.

The Board asked questions of the presenters regarding their marketing strategies and made comments on the presentations.

Mr. Salopek announced that the entire Board would be appointed to the Board's initial Marketing Committee due to the strategic importance of marketing in fulfilling the goals and mission of the APPB.

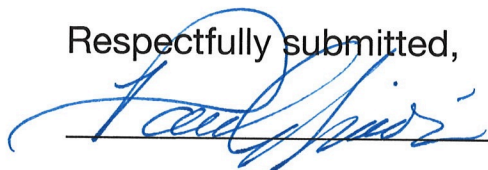
Future Meetings

Mr. Salopek gave notice to the Board of the following Executive Committee and Board meetings: emergency meeting of the Executive Committee on January 12, 2022; Executive Committee meetings on both January 19, 2022, and February 7, 2022; and a Board meeting on February 8, 2022. All meetings to be held at 2:30pm CST.

Old Business, New Business and Adjournment

Mr. Salopek called for Old Business or New Business. A question was made clarifying the identity of a participant but no other old or new business was raised. Mr. Salopek adjourned the meeting at 4:07pm CST.

Respectfully submitted,



Paul A. Quiros, Secretary

Approved after review of the Board and USDA:



David Salopek, Chairperson

AMERICAN PECAN PROMOTION BOARD							
October and November 2021 Assessment Collections							
Reported as of 12/31/21							
State	Number of Producers Paid	Payment	Shelled Pounds	In Shell Pounds	Zero Pounds Reports	DeMinis Exemption	Organic Exemptions
AK							
AL					1	2	
AZ							
CA							
FL							
GA	10	\$ 600,614		25,300,095	2	2	
KS							
LA							
MI						1	
MS					2		
NC							
NM						2	2
OK					3	2	
SC							
TX	9	\$ 24,565	876	1,226,518	1	3	
Other	5	\$ 54,751		2,737,568			
IMPORTS	3	\$ 99,150	1,126,670	7,434,800			
TOTAL	27	\$ 779,081	1,127,546	36,698,981	9	12	2