

# HASS AVOCADO BOARD

## BOARD MEETING MINUTES

A meeting of the Hass Avocado Board (HAB) was held on Thursday, November 10, 2011 at 230 Commerce, Ste. 190, Irvine, California, with the following people in attendance:

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### DIRECTORS

Bob Schaar  
Chris Henry  
Gary Woodworth  
Jamie Johnson  
Jimmy Lotufo  
John Lindstrom  
Mike Sanders  
Reuben Hofshi  
Tom Sowden

Charley Wolk, Ex Officio

### DIRECTORS ABSENT

Araceli Zanabria  
Barry London  
Javier Campo

### STAFF

Robert Rumph  
Yvonne Seebach

### ALTERNATES

Casimir Wytaniec  
Dave Fausset  
Donna Singmaster  
Ed Embly  
Emily Greenberg  
Henry Nader  
Isabel Freeland  
Will Carleton

### ALTERNATES ABSENT

Ramiro Ortega  
Scott Bauwens

### OFFICIALLY PRESENT

Veronica Douglass, USDA  
Tom O'Brien, Legal Counsel

### GUESTS

April Ayami  
Avi Crane  
Brianna Mandell  
Cindy Ransier  
Erin Adler  
Erin Barrier  
Jennifer Manriquez  
Jim Donovan  
JP O'Connor  
Katy McClelland  
Ken Roberts  
Krystyna Wytaniec  
Laura Cubillos  
Marji Morrow  
Mike Parise  
Steven Murro  
Veronica Espinosa

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### CALL TO ORDER – Veronica Douglass, USDA/AMS Presiding

Veronica Douglass from USDA-AMS opened the meeting and announced the board appointments for 2011-2012; Producer-members Gary Woodworth, Bob Schaar and Tom Sowden; Importer-Members, Javier Campo and Chris Henry; Producer-Alternates Will Carleton, Ed Embly and Casimir Wytaniec; Importer-Alternates, Dave Fausset and Isabel Freeland She continued with roll call and to establish a quorum. Ms. Douglass then gave a brief statement with regard to board responsibilities and proceeded with Board Chair nominations and votes.

### **Nominations and Election of Chairperson**

Hass Avocado Board (HAB) outgoing Chairman, Jim Donovan, opened the nominations and election for a new Chairman. Board member Jimmy Lotufo was nominated. No other names were submitted.

**MOTION:**     *The Hass Avocado Board of Directors agreed to close the nominations and cast a unanimous decision for Jimmy Lotufo as Chairman of the Board for 2011-2012. (Johnson/Schaar) MSC*

### **Chairperson takes gavel and presides**

Chairman Lotufo thanked the Board for their vote of confidence.

### **Nomination and Election of the Vice-Chairperson**

Mr. Lotufo indicated that Jamie Johnson had expressed interest in the Vice-Chair position. No other names were submitted.

**MOTION:**     *The Hass Avocado Board of Directors agreed to close the nominations and cast a unanimous decision for Jamie Johnson as Vice-Chairman of the Board for 2011-2012. (Schaar/Sowden) MSC*

**Nomination and Election of the Secretary**

Mr. Lotufo indicated that Bob Schaar had expressed interest in the Secretary position. No other names were submitted.

**MOTION:**     *The Hass Avocado Board of Directors agreed to close the nominations and cast a unanimous decision for Bob Schaar as Secretary of the Board for 2011-2012. (Johnson/Hofshi) MSC*

**Nomination and Election of the Treasurer**

Mr. Lotufo indicated that Tom Sowden had expressed interest in the Treasurer position. No other names were submitted.

**MOTION**     *The Hass Avocado Board of Directors agreed to close the nominations and cast a unanimous decision for Tom Sowden as Treasurer of the Board for 2011-2012. (Schaar/Johnson) MSC*

**Approve Minutes**

No corrections or amendments were made to the September 29 Board meeting Minutes

**MOTION:**     *The Hass Avocado Board of Directors approves the September 29, 2011 Minutes as presented. (Schaar/Johnson) MSC*

**Fill Vacancy Seats**

Mr. Lotufo indicated that there were two open Producer-alternate seats vacant. He asked the board to reach out to prospective producers who may be interested in the alternate vacancies.

**ADMINISTRATION / FINANCE - Rumph**

Mr. Rumph provided a brief summary of the current financial statements.

Financial Update

- 9 Months Ending September 2011 - Estimated
- HAB Revenues = \$21.58 MM dollars --- up \$0.21 MM from the \$21.37 MM estimate.
- HAB Net Revenues = \$4.3 MM dollars --- up \$1.0 MM from the \$3.3 MM estimate.
- HAB Reserves as of 9/30/11 = \$2.8 MM up 1.3 MM from the \$1.5 MM December 2010 ending amount.

Schedule of Cash & Investments as of September 30, 2011

- Cash in Bank – Checking Account = \$1,133,482
- Investments = \$2,450,452
- TOTAL CASH & INVESTMENTS = \$3,583,935

Statement of Net Assets, Revenue & Expenditures as of September 30, 2011 - Estimated

- Total Assets = \$5,841,042
- Total Liabilities = \$3,075,068
- Total Net Assets = \$2,765,975
- Total Revenues = \$21,580,438
- Total Expenditures = \$20,304,966
- Excess of Revenues Over (Under) Expenditures = \$1,275,472

Mr. Rumph briefly highlighted two line item variances. The first is that consulting fees are expected to exceed budget due to the Strategic Planning Project and the executive director search, which was not anticipated or budgeted for 2011. The second variance is the meeting/board member expense category. Mr. Rumph explained that the original budget was not adequate and that additional expenses for the World Avocado Congress had not been budgeted. He added that an increased number of Board

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Members/Alternates are traveling from out of state to HAB meetings, further contributing to the variance. He noted that the 2012 budget for Meeting/Board Member Expense was increased (but not to the levels requested in previous years).

### **GOVERNANCE 101-J.P. O'Connor**

Ms. O'Connor, who is with O'Connor Consultation, Facilitation & Training, provided a board governance introduction and overview for all members and alternates, covering such topics as Understanding Governance; Fiduciary Roles; Steering vs. Rowing; Critical Legal Documents; Staying Mission-Centered, and Strategic Thinking.

*The complete attachment of the BOARD 101-Understanding Governance by JP O'Connor of O'Connor Consultation, Facilitation & Training is attached to the permanent copy of these Minutes and identified as Exhibit A*

**LUNCH** The meeting was convened for lunch at 12:30 pm

**RECONVENE** The meeting was reconvened at 1:20 pm

### **CHAIRMAN'S REPORT- Lotufo** **2012 HAB Board Meeting Schedule**

Mr. Lotufo presented the 2012 draft meeting schedule to members. It was accepted by the board without comment.

### **Executive Director Search Update**

Mr. Lotufo conveyed information about the recruitment process and that the Mixtec group will provide regular updates to him with regard to the candidate status. He added that they were close to scheduling interviews for the final candidates with the executive committee.

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### **Hass Avocado Industry Strategy meeting**

Mr. Lotufo distributed a summary document from the Hass Avocado strategy meetings in November attended by all member associations Chilean Avocado Importers Association (CAIA), Mexican Hass Avocado Importers Associations (MHAIA), Peruvian Avocado Commission (PAC), California Avocado Commission (CAC) and HAB. He said it was an opportunity for each group to voice any concerns and work through intense strategic planning sessions facilitated by consultants from Nuffer Tucker Smith.

He proceeded with a summary of the discussions and topics where groups agreed and he urged the board to support the initiatives and to continue the work working toward making a global "Amric" a reality. He went on to voice what he considered as key areas that were addressed; Strategic Priorities and Building demand. He's asked other members who were present at the strategy meetings to communicate some of their impression and experiences.

Nutrition Research Committee chair Jamie Johnson indicated that he had the opportunity to inform industry members of HAB's nutrition research initiatives.

Board member Mike Sanders added that the creation of the Avocado Marketing and Research Information Center (AMRIC) facilitated supply/demand and data collection had been a great tool for California and that the group discussed, and he was in favor of, a global structure for data collection in the same way.

Board member, Reuben Hofshi talked about establishing international quality standard, proposing the use of post-harvest researchers to give the data credibility. He recommended that a separate group of experts from growing areas of the world could oversee this effort to provide and increase consistent quality.

Board member Gary Woodworth posed the question of how many more pounds of avocados were projected for 2012 over the 2011 season. Mr. Lotufo's responded that an estimate of approximately 222 million more pounds in the system for 2012.

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Mr. Lotufo said he planned to establish committees to focus on these areas and that the strategic planning participants expect a status report by March

*The handout "Hass Avocado Industry Strategic Planning Retreat" is attached to the permanent copy of these records and identified as Exhibit B.*

**FALL TRACKING STUDY PRESENTATION-Ken Roberts, Cooper-Roberts**

Ken Roberts of Cooper Roberts gave a presentation of the Fall 2011 Avocado Tracking study results.

*The complete attachment of the Avocado Tracking Study, Fall 2011 by Ken Roberts of Cooper Roberts Research is attached to the permanent copy of these Minutes and identified as Exhibit C.*

**NEW BUSINESS**

**PUBLIC COMMENT**

There was no public comment.

**ADJOURN**

Mr. Lotufo adjourned the meeting at 2:15 pm

**The next meeting will be held on Thursday, January 12, 2012.**

Respectfully submitted,

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Yvonne Seebach, Hass Avocado Board Staff

I certify that the above is a true and accurate statement of the November 10, 2011 Minutes approved by the HAB Board of Directors on:

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Bob Schaar, Hass Avocado Board Secretary