

**Mexican Hass Avocado Importers Association
Board Meeting Minutes
September 9, 2013**

Place

The Culinary Institute of America
St. Helena, California

Time: 9:00 am – 3:30 pm

Board of Directors:

DIRECTORS

Adrian Iturbide Mejia - Producer, Mich., Mexico	(p)	Chairman
Giovanni Cavaletto-Index Fresh, Bloomington, CA	(p)	Vice-Chairman
Sergio Paz - Del Monte Groupo Comercial, Uruapan	(p)	(alt. Alfredo Rodriguez)
Ed Figueroa- LGS Speciality Sales, Bronx, NY	(p)	Treasurer
Francisco Falconi Pardo - Producer, Mich., Mexico	(a)	
Antonio Villaseñor Zurita- Vifrut, Uruapan, Mexico	(p)	Secretary
Mike Browne – Calavo Growers Inc., Santa Paula, CA	(p)	
Gahl Crane – Green Earth Produce, Verona CA	(p)	(Alt for Jimmy Lotufo)

ALTERNATE DIRECTORS

Martin Mendoza Torrez – Producer, Mich. Mexico	(p)	(alt. Adrian Iturbide)
Doug Meyer - West Pack Avocado, Temecula, CA	(p)	(alt. Giovanni Cavaletto)
Javier Medina – Mevi Avocados, Pharr TX	(a)	(alt. Ed Figueroa)
Carlos Genel – Producer Mich., Mexico	(p)	(alt. Francisco Falconi)
Ricardo Vega – Fiticola Velo, Uruapan, Mexico	(p)	(alt. Antonio Villasenor)
Phil Henry – Henry Avocado, Escondido, CA	(p)	(alt. Mike Browne)

AMS: _____
Veronica Douglas

Officially Present: _____

Ron Campbell	Mark Fabbro
Dolora Sillman	Don Ladhoff
Natalia Arias	Armando Lopez
Tim O'Connor	Dennis Crowley
Julie Schumacher	Laura Slavec
Kathleen Triou	Maggie Bezart
Kevin Brosch	Emiliano Escobedo

Members:

Gary Caloroso	Chris Henry	Victor Barragan
Sergio Guerrero	Tony Martinez	Ygnacio Valerio
Ramon Paz	Rito Mendoza	Emiliano Escobedo
Carlos Illsley		

At 9:00 AM the Chairman called the meeting to order, took the roll call and a quorum was established. Mr. Iturbide then requested a closed session. Actions from the closed session can be made available upon request. Upon conclusion of the closed session Mr. Figueroa motioned to approve the minutes from the previous May 14 board meeting and the motion was seconded by Sergio Paz. The motion passed unanimously.

Financials:

Mr. Figueroa was then introduced to provide the treasury report. The full treasury report is attached as an addendum to these minutes.

Following the treasury report, Mr. Ron Lopez was introduced from the offices of Gruber and Associates to supply the group with the independent auditors report. No deficiencies in internal control or material weaknesses were identified. The full report is attached as an addendum to these minutes.

Gahl Crane motioned to approve the treasury report and accept the independent auditors report. The motion was seconded by Mr. Cavaletto and passed unanimously.

Mr. Iturbide introduced Ron Campbell to provide the election results.

An election was conducted in July for the 2013-2014 board of Directors for MHAIA.

The election to seat the importers was performed by an independent auditor David L. Gruber and Associates, Inc. (Gruber and Associates). The tasks performed consisted of the independent collection and tally of importer votes in accordance with procedures agreed to and approved by MHAIA,

There were four available *importer* member seats and four available *importer alternate* seats. The ballot instructed member importers to return their signed ballots directly to the designated office of Gruber and Associates no later than July 31, 2013.

Ballots were collected by the Huntington Beach office of Gruber and Associates and were controlled in a secure area in the firm prior to data entry into our ballot tally summary schedule.

After data entry, all votes were recounted by a second accountant.

Results of the top candidates with the highest number of votes were as follows:

1. Tony Martinez
2. Giovanni Cavaletto
3. Jimmy Lotofo
4. Ed Figueroa and Gahl Crane (tied)

There was a two-way tie between Ed Figueroa and Gahl Crane for the 4th and final importer seat. Thus, a run-off election was held on August 1, 2013 to determine what member would fill the last seat. We sent a notice to all the members informing them of the tie and requesting that they vote for either Mr. Figueroa or Mr. Crane by the run-off election deadline of August 23, 2013.

Ed Figueroa received the highest votes for the run-off and will fill the 4th importer director seat. The final elected importer directors were as follows:

Elected Importer Directors:

1. Tony Martinez
2. Giovanni Cavaletto
3. Jimmy Lotofo
4. Ed Figueroa

The final elected importer director alternate members with the highest total number of votes were as follows:

Elected Importer Director Alternates:

1. Gahl Crane
2. Doug Meyer
3. John Ulrich
4. Gary Calaroso

APEAM held a separate election to designate 2 growers and 2 packers to round out the eight person MHAIA board.

The results of that election are as follows:

Elected Growers:

1. Carlos Genel
2. Adrian Iturbide

Elected Packers:

3. Ricardo Vega
4. Antonio Villasenor

Elected Grower Alternates:

1. Martin Mendoza
2. Victor Barragan

Elected Packer Alternates

3. Ygnacio Valerio
4. Sergio Paz

Normally all terms run for two years. However, in an effort to achieve staggered terms and yearly elections, two importer directors and two importer alternates shall serve a one year term while the two remaining alternates shall serve a two year term. The one year seats will be selected after the officers are seated.

The New Board was seated and elections for officers took place.

Adrian Iturbide nominated Ed Figueroa as Chairman. The nomination was seconded by Mr. Lotufo.

Mr. Martinez nominated Giovanni Cavaletto as Chairman and this nomination was seconded by Mr. Lotufo.

A secret election took place and the ballots returned 5-3 in favor of Mr. Figueroa.

Mr. Figueroa took the Chair and asked for nominations for Vice Chairman. Mr. Villaseñor nominated Ricardo Vega and the motion was seconded by Mr. Lotufo. The motion passed unanimously.

Mr. Figueroa nominated Mr. Cavaletto as Secretary and the motion was seconded by Mr. Iturbide. The motion passed unanimously.

Mr. Villaseñor nominated Mr. Iturbide to be Treasurer and the motion was seconded by Mr. Figueroa. The motion passed unanimously.

Finally, Mr. Figueroa appointed Mike Browne as the MHAIA representative to the AFM Joint Marketing Committee.

The 2013 – 2014 MHAIA Board of Directors is:

Directors		Alternates
Ed Figueroa	Chairman	Gahl Crane
Ricardo Vega	Vice Chairman	Sergio Paz
Adrian Iturbide	Treasurer	Martin Mendoza
Giovanni Cavaletto	Secretary	Doug Meyer
Tony Martinez	Director	Jon Ullric
Jimmy Lotufo	Director	Gary Caloroso
Carlos Genel	Director	Victor Barragan
Antonio Villaseñor	Director	Ygnacio Valerio

After the new board was seated Mr. Figueroa introduced Emiliano Escobedo to provide a brief update on Hass Avocado Board Activities including an update on the nutrition program, the quality program and the Avocado Volume and Inventory

System (AVIS) data system. Additionally, Ed appointed Giovanni as ex-officio member to the Hass Avocado Board.

Ed, introduced Dennis Crowley to present a proposed quantitative tracking study to help MHAIA understand the marketing program's progress toward the AFM brand position. The online survey methodology being proposed by Brand Engineers is more managerially useful than traditional ATU tracking, as it not only measures brand awareness, trial, and usage but also the degree to which various elements of AFM's brand positioning and messaging are being received and accepted by consumers over time.

Specifically, the research will allow AFM management to achieve the following objectives:

1. Quantify the impact of AFM's positioning and messaging strategy on brand awareness, favorability, consideration, trial, usage, and repurchase intent.
2. Determine the impact of AFM's positioning and messaging strategy on the perceived strength, favorability, and uniqueness of desired brand associations.
3. Measure the degree to which various elements of AFM's brand positioning and messaging are being received and accepted by targeted consumers. Explore ad-hoc issues that relate to the marketing of Avocados from Mexico.

The board agreed to consider the proposal.

Ed introduced Natalia Arias to present the new MHAIA website design. As a result of the integration of the APEAM and MHAIA promotional web sites, the MHAIA will need a new platform to communicate with its membership. A new logo for MHAIA was discussed and agreed to and the website will be completed within the next two months.

After lunch, Tim O'Connor and the marketing team laid out the AFM strategic overview:

Move avocados from exotic to everyday:

- Broaden usage occasions
- Increase avocado consumption among medium to heavy users
- Expand appeal to gen X and gen Y
- Capitalize on the power of foodservice
- Drive brand affinity and create "advocates"

Campaign objectives:

- Connect with consumers, differentiate and distinguish AFM
- Create ownable assets
- Motivate people to share and discuss

Target audience mindset = open minded, curious and willing to try new things.

Key Demographics:

- Median age = 18-42
- Ages 18-49 = 68%
- Male = 46%
- Female = 54%
- Median HHI = \$105K

Consumer Media Core Pillars:

- Target properties using AFM mindset
- Establish AFM as a national brand
- Choose channels with multi-touchpoint approach
- Reinforce strategy with always on approach

The overall “always on” communications calendar was presented that included social media, PR , and food service integrated strategies.

Finally, Maggie Bezzart laid out the retail portion of the marketing and promotion program. She provided an overview on the development of the retail team, budgets, POS creative and distribution, in-store radio (28,000 stores), recipe cards, the gift card awards and the partnership program were presented.

The full presentation can be provided upon request.

The flex funds program was discussed. \$2MM budgeted and a procedure was developed on how the funds will be used. All retailers participating in the program will need to sign an agreement and all dollars will be tracked. Customers will be identified according to market share. The program is designed to enable flexibility in our program execution as volumes fluctuate especially after the first of the year.

Concern was raised about customer selection and the need for 100% inclusivity. The AMS process will include approval of the initial flex fund agreement with the end user but AMS will not need to approve every single agreement unless there is a change to the template.

Finally, concern was raised about the lack of a budget breakdown that provided the board with an idea of the cost of these programs. Additionally, the specific request made in an earlier meeting that the website and certain digital activities be brought in house was not addressed in the presentation. The response was that the website will be housed where it is currently and Natalia will play a leading role and the agencies will contribute. Finally, it was requested that an evaluation of the cost of the existing AFM operation is saving the membership money as it was previously designed.

Regarding the bank transfers, Adrian motioned that Jimmy Lotufo be appointed as the second signatory on bank transactions and the motion was seconded by Tony Martinez. In addition, Adrian motioned that Ed Figueroa remain as a fall back

signatory and this motion was seconded by Carlos. Both Motions carried unanimously.

New Business:

Gahl Crane requested to be on the Joint Marketing Committee.

Ed Figueroa suggested that Adrian form a Finance Committee.

Adjournment

There being no other business, Adrian motioned to adjourn the meeting at 3:00 PM and the motion was seconded by Ricardo. There was no objection.

Respectfully Submitted,

Ron Campbell, MHAIA Executive Director

I certify that the above is a true and accurate statement of the September 9, 2013 MHAIA Board of Directors Meeting.

Giovanni Caveletto, MHAIA Board Secretary