



# AGENDA

## California Avocado Commission Board of Directors Meeting

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### Meeting Information

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**Date:** November 16, 2023

**Time:** 8:30 a.m.

**Location:** Hybrid Meeting

**Physical Meeting Location:**  
California Avocado Commission  
12 Mauchly, Suite L  
Irvine, CA 92618

**Web/Teleconference URL:**

<https://californiaavocado.zoom.us/j/86778597536?pwd=YzVEbjZUNHpVTnRIYWlZZjhoRWFIUT09>

**Conference Call Number:** (669) 900-6833

**Meeting ID:** 867 7859 7536

**Passcode:** 291164

**Meeting materials will be posted online at least 24 hours prior to the meeting at:**  
<https://www.californiaavocadogrowers.com/commission/meeting-agendas-minutes>

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### Board Member and Alternate Attendance

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**As of Thursday, November 9, 2023, the following individuals have advised the Commission they will participate in this meeting:**

Victor Araiza, *Member*

John Berns, *Alternate*

Will Carleton, *Member*

Jason Cole, *Member*

Maddie Cook, *Alternate*

Quinn Cotter, *Member*

Maureen Cottingham, *Member*

Rob Grether, *Member*

Jessica Hunter, *Member*

Robert Jackson, *Member*

Rachael Laenen, *Member*

Hayden McIntyre, *Alternate*

Daryn Miller, *Member*

Peter Shore, *Member*

<b>Time</b>	<b>Item</b>
8:30 a.m.	<ol style="list-style-type: none"> <li><b>1. Call to Order – Ben Kardokus, CDFA Presiding</b> <ol style="list-style-type: none"> <li>a. Announcement of Election Results and Introduction of New Members and Alternates</li> <li>b. Roll Call/Quorum</li> </ol> </li> <li><b>2. Opportunity for Public Comment</b> Any person may address the Board at this time on any subject within the jurisdiction of the California Avocado Commission.</li> <li><b>3. Election of Officers</b> <ol style="list-style-type: none"> <li>a. Instructions on How Nominations and Voting for Board Officers will be Conducted</li> <li>b. Nominations and Election of Chairperson</li> </ol> </li> <li><b>4. Chairperson Takes Gavel and Presides</b> <ol style="list-style-type: none"> <li>a. Nominations and Election of Vice-Chairperson, Secretary, and Treasurer</li> <li>b. Chairperson’s Opening Remarks</li> </ol> </li> <li><b>5. Consent Calendar</b> <ol style="list-style-type: none"> <li>a. Consider approval of Board of Director’s meeting minutes of October 3, 2023</li> <li>b. Consider approval of Board of Director’s meeting minutes of October 11, 2023</li> <li>c. Consider Approval of Proposed 2023-24 Meeting Schedule</li> <li>d. 2022-23 Financial and crop update</li> </ol> </li> <li><b>6. Board member orientation</b></li> <li><b>7. Code of conduct and ethics</b></li> <li><b>8. Chairman’s Report</b> <ol style="list-style-type: none"> <li>a. Recommend Member and Alternate to Serve on Hass Avocado Committee</li> <li>b. Recommend Member and Alternate to Serve on Avocado Sustainability Advisory</li> </ol> </li> <li><b>9. Marketing</b> <ol style="list-style-type: none"> <li>a. Strategy behind 2023-24 business plan development</li> <li>b. Introduction of new resources</li> <li>c. Insights driven business enhancements</li> <li>d. Tracking study key takeaways</li> </ol> </li> <li><b>10. Industry Affairs</b></li> </ol>

Time	Item
	<p><b>11. Closed session regarding the appointment, employment, evaluation of performance, or dismissal of an employee pursuant to California Government Code Section 11126(a)</b></p> <ul style="list-style-type: none"> <li>a. The Board may go into closed session to discuss and make recommendations regarding appointment, employment or dismissal of an employee.</li> <li>b. Return to open session and announce action taken in closed session, if any.</li> </ul>
2:00 p.m.	<b>12. Adjourn Meeting</b>

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## Disclosures

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The times listed for each agenda item are estimated and subject to change. It is possible that some of the agenda items may not be able to be discussed prior to adjournment. Consequently, those items will be rescheduled to appear on a subsequent agenda. All meetings of the California Avocado Commission are open to the public and subject to the Bagley-Keene Open Meeting Act.

All agenda items are subject to discussion and possible action. For more information, or to make a request regarding a disability-related modification or accommodation for the meeting, please contact April Aymami at 949-341-1955, California Avocado Commission, 12 Mauchly, Suite L, Irvine, CA 92618, or via email at [aaymami@avocado.org](mailto:aaymami@avocado.org). Requests for disability-related modification or accommodation for the meeting should be made at least 48 hours prior to the meeting time. For individuals with sensory disabilities, this document is available in Braille, large print, audiocassette or computer disk. This meeting schedule notice and agenda is available on the internet at <https://www.californiaavocadogrowers.com/commission/meeting-agendas-minutes> and <http://it.cdfa.ca.gov/igov/postings/detail.aspx?type=Notices>.

If you have questions on the above agenda, please contact April Aymami at [aaymami@avocado.org](mailto:aaymami@avocado.org) or 949-341-1955.

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## Summary Definition of Conflict of Interest

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It is each member's and alternate's responsibility to determine whether they have a conflict of interest and whether they should excuse themselves from a particular discussion or vote during a meeting. To assist you in this evaluation, the following *Summary Definition of Conflict of Interest* may be helpful.

A Commission *member or employee* has a conflict of interest in a decision of the Commission if it is reasonably foreseeable that the decision will have a material effect, financial or otherwise, on the member or employee or a member of his or her immediate family that is distinguishable from its effect on all persons subject to the Commission's jurisdiction.

No Commission member or employee shall make, or participate in making, any decision in which he or she knows or should know he or she has a conflict of interest.

No Commission member or employee shall, in any way, use his or her position to influence any decision in which he or she knows or should know he or she has a conflict of interest.



## *BOARD ACTION*

**ITEM 5.a:**      **CONSIDER APPROVAL OF BOARD OF DIRECTORS' MEETING MINUTES  
OF OCTOBER 3, 2023**

**SUMMARY:**

The minutes of the Board of Directors' regular meeting of October 3, 2023 are attached for the Board's review and approval.

**FISCAL ANALYSIS:**

- Not applicable

**BOARD OPTIONS:**

- Adopt minutes as presented
- Amend minutes
- Take no action

**STAFF RECOMMENDATION:**

- Approve minutes as presented

**EXHIBITS / ATTACHMENTS:**

- Minutes of the Board of Directors' regular meeting of October 3, 2023

**CALIFORNIA AVOCADO COMMISSION  
BOARD SPECIAL MEETING MINUTES  
October 3, 2023**

A special meeting of the California Avocado Commission (CAC) Board was held on Tuesday, October 3, 2023 at 3:00 p.m. with the following people present:

**MEMBERS PRESENT**

Gary Caloroso  
Jason Cole  
John Cornell  
Quinn Cotter  
Maureen Cottingham  
Rob Grether  
Jessica Hunter  
Jamie Johnson (Carleton Alt.)  
Ohannes Karaoghlanian  
Rachael Laenen  
Daryn Miller (3:25 p.m.)  
Michael Perricone  
Peter Shore

**MEMBERS ABSENT**

Will Carleton

**ALTERNATES PRESENT**

Maddie Cook  
Connor Huser  
Robert Jackson  
Hayden McIntyre  
Jamie Shafer  
Charley Wolk

**OFFICIALLY PRESENT**

Vickie Carpenter, USDA  
Ben Kardokus, CDFA  
George Soares, KSC

**STAFF PRESENT**

April Aymami

**ITEM #1 Call to Order**

**Roll Call/Quorum – Item 1.a. & 1.b.**

Rob Grether, CAC chairman, called the meeting to order at 3:02 p.m. with a quorum present.

**ITEM #2 Closed session regarding the appointment, employment, evaluation of performance, or dismissal of an employee pursuant to Government Code Section 11126(a).**

**ITEM #3 Closed session regarding pending and/or ongoing litigation pursuant to Government Code Section 11126(e).**

Finding relative to holding special meeting on less than 10 days notice pursuant to Government Code Section 11125.4(c):

This meeting has been called and noticed pursuant to the special meeting provision of the Bagley-Keene Open Meeting Act (Act) which allows for a meeting on less than 10 days notice under certain circumstances, including pending litigation. On September 28, 2023, a tentative resolution regarding pending litigation was achieved requiring approval of the Board of Directors. Based on the immediate need for the Board of Directors to approve resolution of this pending litigation and related matters, the Commission finds that it would be an undue hardship to delay this meeting with its legal counsel, and so has properly called and noticed this meeting pursuant to the Act.

Mr. Grether convened a Closed Session of the CAC Board at 3:03 p.m. with members and alternates of the Board, CAC's legal counsel and CDFA representative.

**ITEM #7 Return to open session and announce action taken in closed session, if any.**

Mr. Grether returned to open session at 4:25 p.m. and announced that the Board had taken two actions in Closed Session:

California Avocado Commission  
Board Special Meeting Minutes  
October 3, 2023

1. Approved the findings leading to the holding of the October 3, 2023 special meeting of the CAC Board on less than 10 days notice pursuant to Government Code Section 11125.4(c).
2. Accepted the resignation of CAC President Jeff Oberman effective October 3, 2023

**Adjourn Meeting**

Mr. Grether adjourned the meeting at 4:26 p.m.

Respectfully submitted,

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April Aymami, CAC Industry Affairs Director

I certify that the above is a true statement of the Minutes of October 3, 2023 approved by the CAC Board of Directors on November 16, 2023.

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CAC Board Secretary



## *BOARD ACTION*

**ITEM 5.b:      CONSIDER APPROVAL OF BOARD OF DIRECTORS' MEETING MINUTES  
OF OCTOBER 11, 2023**

**SUMMARY:**

The minutes of the Board of Directors' regular meeting of October 11, 2023 are attached for the Board's review and approval.

**FISCAL ANALYSIS:**

- Not applicable

**BOARD OPTIONS:**

- Adopt minutes as presented
- Amend minutes
- Take no action

**STAFF RECOMMENDATION:**

- Approve minutes as presented

**EXHIBITS / ATTACHMENTS:**

- Minutes of the Board of Directors' regular meeting of October 11, 2023



CALIFORNIA AVOCADO COMMISSION  
BOARD MEETING MINUTES  
OCTOBER 11, 2023

A meeting of the California Avocado Commission (CAC) Board was held on Wednesday, October 11, 2023 with the following people present:

**MEMBERS PRESENT**

Gary Caloroso  
Jason Cole  
Quinn Cotter  
Maureen Cottingham  
Rob Grether  
Jessica Hunter  
Jamie Johnson (Carleton Alt.)  
Rachael Lanean  
Daryn Miller  
Michael Perricone  
Peter Shore  
Charley Wolk (Karaoghlanian Alt.)

**ALTERNATES PRESENT**

Maddie Cook  
Robert Jackson  
Jamie Shafer

**MEMBERS ABSENT**

Will Carlton  
John Cornell  
Ohannes Karaoghlanian

**ALTERNATES ABSENT**

Connor Huser  
Hayden McIntyre

**OFFICIALLY PRESENT**

Victoria Cao, HAB BOLD  
Katie Cook, USDA  
Ben Kardokus, CDFA  
Nathan Lurie, HAB BOLD  
Sam Mareno, USDA  
John McGuigan, HAB  
George Soares, Kahn, Soares & Conway, LLP

**STAFF PRESENT**

April Aymami  
Zac Benedict\*  
Dave Cruz\*  
Stacia Kierulff  
Ken Melban  
Lori Small\*  
Terry Splane\*

**GUESTS PRESENT**

Mark Buhl  
John Berns

*\*Left during closed session*

**ITEM #1 CALL TO ORDER**

**Roll Call/Quorum – Item 1.a.**

Rob Grether, CAC chairman, called the meeting to order at 8:37 a.m. with a quorum present.

**Introductions – Item 1.b.**

April Aymami, CAC industry affairs director, announced the California Department of Food and Agriculture (CDFA) and US Department of Agriculture (USDA) representatives, CAC staff and known guests participating in the meeting. She requested all other guests to announce themselves so that all participants could be recorded in attendance.

**ITEM #2 OPPORTUNITY FOR PUBLIC COMMENT**

Mark Buhl provided a written document and resume for the Board's consideration for his self-nomination for president of the California Avocado Commission.

Mark Buhl's Statement of Interest and Resume are attached to the permanent copy of these Minutes and identified as EXHIBIT A.

### **ITEM #3 CONSENT CALENDAR**

Mr. Grether introduced the consent calendar items and asked for questions or comments. With no comments on the consent calendar items, the following motion was put forward:

#### **MOTION:**

***The CAC Board of Directors approves the Consent Calendar, Items 3.a through 3.d as presented.***

***(Miller/Cole) MSC Unanimous***

**MOTION 23-10-11-1**

The Consent Calendar is included in the October 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT B, Items 3.a through 3.d.

### **ITEM #4 – CLOSED SESSION REGARDING THE APPOINTMENT, EMPLOYMENT, EVALUATION OF PERFORMANCE, OR DISMISSAL OF AN EMPLOYEE PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 11126(a)**

*The Board may go into closed session to discuss and make recommendations regarding appointment, employment, or dismissal of an employee – Item 4.a*

Mr. Grether convened a Closed Session of board members, alternates, legal counsel, and the CDFA representative at 8:45a.m.

*Return to open session and announce action taken in closed session, if any – Item 4.c.*

Mr. Grether returned to open session at 10:30 a.m. and announced no action was taken.

### **ITEM #5 CHAIRMAN'S REPORT**

*Recommend Member and Alternate to Serve on Hass Avocado Board – Item 5.a.*

Mr. Grether informed the Board that there is a request from the Hass Avocado Board for the Board to recommend a member and alternate to serve on the Hass Avocado Committee. The recommendation needs to come before the next HAC is seated on January 1, 2024. He said this is an information item only and if anyone is interested in serving to contact the CAC Chairman.

*Recommend Member and Alternate to Serve on Avocado Sustainability Advisory – Item 5.b.*

Mr. Grether informed the Board that there is a request for a member and alternate to serve on the Avocado Sustainability Advisory. Presently serving is Ken Melban, CAC VP of Industry Affairs and Operations and Connor Huser, CAC Alternate Member. Mr. Grether stated that this item will be discussed at the November 2023 Board Meeting, but he wanted to plant the seed for anyone that is interested in serving. Anyone interested in serving should contact the CAC Chairman and/or Board before or at the November 2023 meeting.

Daryn Miller, CAC Board Member, informed the Board that he may be willing to serve on the Avocado Sustainability Advisory.

Mr. Grether asked Mr. Melban if he would be willing to continue to serve on Avocado Sustainability Advisory, and Mr. Melban stated that he is willing to continue to serve.

Pine Tree Ranch Update – Item 5.c.

Mr. Grether informed the Board that the variable speed pump was not installed within the first three-month lease extension with Cal Poly Pomona. Mr. Grether reported management recommended to the Executive Committee extending the lease for three additional months and he said the Committee had approved the extension.

**ITEM #6 TREASURER'S REPORT**

Auditor's Letter of Engagement for 2022-23 Financial Audit – Item 6.a.

Jason Cole, CAC Treasurer, informed the Board that everything he is reporting on was discussed in the Finance Committee. Mr. Cole reported that there was nothing amiss with the audit, so he is looking for a motion to approve as presented:

**MOTION:**

***The CAC Board of Directors approves the Auditor's Letters of Engagement as presented.  
(Miller/Cottingham) MSC Unanimous***

**MOTION 23-10-11-2**

The Moss Adams Letters of Engagement for 2022-23 Financial Audit Services are included in the October 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT B, Item 6.a.

2022-23 Profit Sharing Plan Contributions – Item 6.b.

Mr. Cole informed the Board that when Ed McFadden was Chairman, he thought it would be prudent to have someone from the Finance Committee review the contribution policy, which he had done.

Internal Control Policies and Procedures – Item 6.c.

Mr. Cole informed the Board that some of the changes listed on the document came from the Auditor's Letter of Engagement. The Board reviewed line by line the authorization matrix presented on the projector screen (Item 6.c. page 78 of the Board packet).

During the discussion of the ICPP's, it was noted that the CAC Marketing team was no longer in attendance at the Board meeting. Mr. Grether addressed this issue by notifying everyone that the Marketing team had been exposed to COVID recently and learned this information while the Board was in closed session. Per CAC policy, the exposed CAC employees went home.

Mr. Grether commented CAC management worked with Moss Adams to get their guidance as auditors for appropriate control levels. Based on the size of our organization and the volume of checks and invoices that are required to be approved by different levels, they came back with a few recommendations. The authorization matrix items that the Board added during the meeting are as follows:

- Purchase Orders over \$3,000 – Requires both Chairman and Treasurer approval
- Vice Presidents' Expense Reports – Requires both Chairman and Treasurer approval
- Change in User Permissions – Requires both Chairman and Treasurer approval
- New Hire – Requires full Executive Committee approval
- Pay Rate Changes (all employees) – Requires full Executive Committee approval
- Payroll – Requires Treasurer or Chairman approval (submit to Treasurer first, if not available, then Chairman)

Mr. Grether asked if there were any further questions or comments. Hearing none, he asked for motion to approve as presented:

**MOTION:**

***The CAC Board of Directors approves the Internal Control Authorization Matrix as presented with incorporation of the Board requested changes.***

***(Caloroso/Laenen) MSC Unanimous***

**MOTION 23-10-11-3**

The Internal Control Authorization Matrix is included in the October 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT B, Item 6.c.

**CAC Reserves Policy – Item 6.d.**

Mr. Melban commented that this is a review of the reserves policy that has been set by this Board at five million dollars (\$5 mm). Mr. Melban asked the Board if they believe this is the right amount. He mentioned the Finance Committee has already reviewed this item and believes this is the right amount. There were no requests to change this amount, therefore no action was taken.

The CAC Policy on Cash Reserves Balance is included in the October 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT B, Item 6.d.

**Finance Committee Recommendation on 2023-24 Budget and Assessment Rate – Item 6.e.**

Mr. Cole reported to the Board that the Finance Committee did not come to a formal recommendation.

**ITEM #7 CONSIDER APPROVAL OF PROPOSED 2023-24 CAC BUSINESS PLAN AND BUDGETS**

The budget items were discussed first and Ms. Aymami placed the budget on the screen for the Board to view (pages 158-162 in the Board packet).

Mr. Grether asked about the Commissioner Expenses account titled Travel, Lodging, Mileage, Meals & Entertainment reflecting a reduction of almost twenty thousand dollars and basis for it (page 162 of the Board packet). Ms. Aymami replied that last year the budget included that cost of the Chairman traveling to the World Avocado Congress.

Mr. Grether then asked about the Professional Fees account titled Legal & Other Professional the reduction of fifteen thousand (\$15k) and the basis for it (page 162 of the Board packet). Ms. Aymami replied that last year, we asked the auditing firm Moss Adams to review the CAC Internal Control Policies and Procedures, so we added the fifteen-thousand-dollar amount into the budget for this item. The reduction is because we are not doing this project in fiscal year 2023-2024.

Charley Wolk, CAC Board Member, asked about the Legal/Governance account titled Legal Support showing an increase of sixty-thousand-dollars (\$60k) (page 160 of the Board packet). Mr. Melban replied this is for potential legal costs due to requests for information under the Public Records Act.

Gary Caloroso, CAC Board Member, asked why the Education & Outreach account titled Field Meetings, Seminars & Workshops reflecting was reduced. (page 160 of the Board packet). Mr. Melban replied the reduction is due to removing funding for a visiting researcher.

Robert Jackson, CAC Board Alternate, asked why CAC is spending so much money on research and field testing when the nurseries are already doing the bulk of it (pages 155-157 in the Board packet). Ms. Aymami replied this research is specific to sites that have been selected by CAC with grower cooperators on five selected root stocks. CAC has identified these root stocks as promising and we can verify how they are operating in the field on a commercial scale. She reported this was a recommended project from the last PRC meeting in September.

Mr. Caloroso commented that viewing the reduction in the Consumer Public Relations accounts is important that CAC shift focus and do more Trade than Consumer (page 159 of the Board packet). Mr. Melban commented that bringing on the new CAC employee Lori Small is part of this plan as she has experience in PR and hiring her allows CAC to bring the PR in-house.

Mr. Caloroso commented that what we really want is to have the retailers social media channels promoting California avocados which will lead the consumers to buy more avocados which in turn leads the retailers to buy more avocados from the suppliers and evaluate the return for growers.

Mr. Grether commented that in reviewing the Marketing budget items in the absence of Terry Splane, CAC VP of Marketing, and his team present at this point of the Board meeting is a bit unfair. Mr. Grether commented that Mr. Splane is doing his best with a new hire and a new agency and a new perspective while at the same time not trying to rock the boat. Mr. Splane inherited the budget last year and did what he could to refine it within the commitments that were previously made.

Mr. Grether asked if there were any further questions or comments. Hearing none, he asked for motion to approve as presented:

**MOTION:**

***The CAC Board of Directors approves the Proposed 2023-24 CAC Business Plan and Budget as presented.***

***(Caloroso/Miller) MSC Unanimous***

**MOTION 23-10-11-4**

The Proposed 2023-24 CAC Business Plan and Budget is included in the October 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT B, Item 7.

The 2023-24 CAC Business Plan Summary Presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT C.

**ITEM #8 ESTABLISH ASSESSMENT RATE FOR 2023-24 FISCAL YEAR**

Mr. Melban reminded the Board where we left the assessment rate discussion at the August Board meeting. The consensus from the August meeting was a total revenue of \$9.5 million, 2.25% assessment, \$1.15 average price per pound, and a crop of two hundred million.

The Board discussed an appropriate assessment rate that aligns with the ending reserve policy of five million. After a lengthy Board discussion, the consensus was to set the assessment rate for 2023/2024 at 2.25%.

Mr. Grether asked if there were any further questions or comments. Hearing none, he asked for motion to approve as presented:

**MOTION:**

***The CAC Board of Directors moves to set the 2023-24 California Avocado Commission (CAC) Assessment Rate at 2.25% of the gross dollar value of sales for all varieties during any full or partial month the Federal Hass Avocado Promotion, Research, and Information Order (Order) is in effect with a Hass Avocado Board (HAB) assessment rate of 2.5 cents per pound. Should the HAB assessment be eliminated, or should the assessment rate change from 2.5 cents per pound, the CAC assessment rate shall be adjusted to provide that the combined CAC and HAB gross assessment is 4.33% of the gross dollar value of sales for all varieties for the remainder of the CAC fiscal year.***

***(Cole/Johnson) MSC Unanimous***

**MOTION 23-10-11-5**

**ADJOURN MEETING**

Mr. Grether adjourned the meeting at 12:32 p.m.

Respectfully submitted,

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Stacia Kierulff, CAC Human Resource Manager

I certify that the above is a true statement of the Minutes of October 11, 2023 approved by the CAC Board of Directors on November 16, 2023.

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CAC Board Secretary

**EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES**

EXHIBIT A	Mark Buhl's Statement of Interest and Resume
EXHIBIT B	October 2023 Board Packet
EXHIBIT C	2023-24 CAC Business Plan Summary Presentation
EXHIBIT D	October 11, 2023 Board Meeting AB 2720 Roll Call Vote Tally Summary



**CALIFORNIA AVOCADO COMMISSION**  
**AB 2720 Roll Call Vote Tally Summary**  
*To be attached to the Meeting Minutes*

<b>Meeting Name:</b> <i>California Avocado Commission Regular Board Meeting</i>	<b>Meeting Location:</b> <i>12 Mauchly, Suite L Irvine, CA 92618</i>	<b>Meeting Date:</b> <i>October 11, 2023</i>
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<b><i>Attendees Who Voted</i></b>	<b><i><u>MOTION</u> 23-10-11-1</i></b>	<b><i><u>MOTION</u> 23-10-11-2</i></b>	<b><i><u>MOTION</u> 23-10-11-3</i></b>	<b><i><u>MOTION</u> 23-10-11-4</i></b>	<b><i><u>MOTION</u> 23-10-11-5</i></b>
Michael Perricone	Yea	Yea	Yea	Yea	Yea
Jessica Hunter	Yea	Yea	Yea	Yea	Yea
Charley Wolk	Yea	Yea	Yea	Yea	Yea
Quinn Cotter	Yea	Yea	Yea	Yea	Yea
Rob Grether	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote
Maureen Cottingham	Yea	Yea	Yea	Yea	Yea
Jason Cole	Yea	Yea	Yea	Yea	Yea
Rachael Laenen	Yea	Yea	Yea	Yea	Yea
Daryn Miller	Yea	Yea	Yea	Yea	Yea
Jamie Johnson	Yea	Yea	Yea	Yea	Yea
Peter Shore	Yea	Yea	Yea	Yea	Yea
Gary Caloroso	Yea	Yea	Yea	Yea	Yea
<b><i>Outcome</i></b>	<b><i>Unanimous</i></b>	<b><i>Unanimous</i></b>	<b><i>Unanimous</i></b>	<b><i>Unanimous</i></b>	<b><i>Unanimous</i></b>



**ITEM 5.c: CONSIDER APPROVAL OF PROPOSED 2023-24 MEETING SCHEDULE**

**SUMMARY:**

The proposed 2023-24 meeting schedule consists of five regularly scheduled Board meetings. Management has reviewed the business conducted during regularly scheduled board meetings and recommends that the proposed meeting schedule provides adequate time to address business, while also meeting during key times of the fiscal year to review and provide input on marketing activities. On the attached schedule, major items of Board business across the year are included along with the meeting dates.

**FISCAL ANALYSIS:**

- The 2023-24 Commissioner Expense Budget, approved in October 2023, provides adequate resources for the 2023-24 meetings to be held in-person

**BOARD OPTIONS:**

- Adopt the meeting schedule as proposed by management
- Modify the meeting schedule

**STAFF RECOMMENDATION:**

- Staff recommends Board adoption of the proposed meeting schedule

**EXHIBITS / ATTACHMENTS:**

- Proposed 2023-24 Meeting Schedule





## CALIFORNIA AVOCADO COMMISSION

### 2023-24 MEETING SCHEDULE

#### November 16, 2023: BOARD MEETING

- Seating of new Board members
- Election of Board officers
- Board Orientation
- HAB HAC & ASA Recommendations

#### February 22, 2024: BOARD MEETING

- Committee appointments
- Fill Vacant Seats (if necessary)
- Financial Statement Audit Report
- Approval of Budget Amendment No. 1 (if necessary)
- Approval of CAC as Provider of Avocado Inspection Program Administrative services for the CDFA for the period from July 2024 through June 2025
- Review/Approval Regarding CAC Line of Credit

#### 3 Days TBD in Spring 2024: CAC ANNUAL MEETINGS

#### June 6, 2024: BOARD MEETING

- Recommend Members/Alternate for Avocado Inspection Committee appointment
- Review of Corporate Insurance
- 2024-25 Planning & Budget Discussion

#### August 15, 2024: BOARD MEETING

- 2024-25 Financial / Crop Outlook
- Draft of 2024-25 Business Plan Objectives, Strategies and Tentative Budget
- Approval of Tentative 2024-25 Assessment Rate

#### October 10, 2024: BOARD MEETING

- Approval of CPA Letter of Engagement
- Approval of 2024-25 Business Plan and Budget
- Approval of 2024-25 Assessment Rate
- President's Performance Review

#### November 14, 2024: BOARD MEETING

- Seating of new Board members
- Election of Board officers
- Board Orientation
- HAB HAC & ASA Recommendations

#### Additional Industry Events:

##### *Fruit Logistica*

- February 7-9, 2024, Berlin, Germany

##### *World Ag Expo*

- February 13-15, 2024, Tulare, CA

##### *CPMA Convention + Trade Show*

- April 23-25, 2024, Vancouver, Canada

##### *The Global Produce & Floral Show*

- October 17-19, 2024, Atlanta, GA



## BOARD INFORMATION

### ITEM 5.d: 2022-23 FINANCIAL AND CROP UPDATES

#### SUMMARY:

Attached are monthly financial performance reports as prepared by CAC's outsourced accounting firm, Signature Analytics, for the month September 2023. The reports include CAC income statements and statements of net position, including year-to-date actual versus budget comparisons.

#### FISCAL ANALYSIS:

- Not applicable

#### BOARD OPTIONS:

- Discussion item only

#### STAFF RECOMMENDATION:

- Not applicable

#### EXHIBITS / ATTACHMENTS:

- Monthly Financial Performance Reports for September 2023
- 2022-23 Pounds & Dollars by Variety Report (September 2023)



## Monthly Performance Report

California Avocado Commission  
September 2023



# Financial Summary

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CAC Total Revenue is down to budget by \$2.3M year-to-date due to a shortfall in Assessment Revenue contributed to by a delay in the start of the season and a lower than projected year-to-date crop value.

On the expense side, Marketing expenses year-to-date accounted for \$7,566,790 of the total \$11,503,162 in expenses and were \$423K lower than budget. Both Consumer Marketing and Merchandising were lower than budget by \$97K and \$157K, respectively. Consumer Marketing was \$4,497,296 year-to-date compared to the year-to-date budget of \$4,594,788. Merchandising expenses year-to-date was \$1,405,811 compared to the \$1,562,556 year-to-date budget. Marketing expenses are currently at 97.3% of year-to-date revenue vs. a budget of 79.2%.

Total Administration expenses at \$2,959,261 year-to-date accounted for 25.7% of total spending and came in under budget by \$46K. Industry Affairs & Production Research expenses at year-to-date was \$777,324, which was below the budget of \$879,784 by \$102K. Administration expenses and Industry Affairs & Production expenses are 38% and 10% of revenue, vs. budgets of 29.8% and 8.7%, respectively.

Overall, the organization experienced a \$3.7M deficit as compared to a \$1.96M budgeted deficit. This \$1.77M variance relates primarily to the shortfall in Assessment Revenue year-to-date amidst the timing of the crop harvest and lowered crop value projection.

The total crop volume is anticipated to come in around 232M pounds, 18M pounds less than what was used in development of the budget. As a result, CAC is estimating a shortfall in the HAB assessment revenue of about \$350,000 at fiscal year-end. In addition, the CAC assessment revenue is expected to come in approximately \$1.4M under budget as a result of the lower crop volume and crop value falling short of the \$1.35 per pound average price used for the FY23 budget.

The total FY23 revenue is estimated to come in at \$8.5M, as compared to the budget of \$10.6M. The current FY23 budget was approved using an estimated FY22 ending reserve balance of \$10.9M, however final audited financials report the FY22 ending reserve balance at \$11.6M, resulting in an increase to the FY23 beginning reserve balance of \$700K. At this time CAC management is estimating a minimum of \$700K of unspent funds at FY23 year-end, which will be returned to reserves. CAC projects that the full year deficit will be \$4.86M versus the budgeted deficit of \$3.5M, with an estimated FY23 ending reserve balance of \$6.75M, \$650K less than the FY23 budgeted year-end balance of \$7.4M.

## Crop Information

Handlers reported 228M pounds of California avocados harvested through August 2023 with an average price per pound of \$1.011. An estimated 4M pounds were harvested in September 2023 with an estimated average price per pound of \$1.25. This would bring the total harvested through September 2023 to 232M pounds at an average price per pound of \$1.015.



Laura M. Bertagnolli

Consulting CFO

# KPI Results

	RESULT		TREND
A PROFITABILITY	2022/2023 (YTD)	2021/2022 (YTD)	vs 2021/2022 (YTD)
Total Revenue	\$7,780,145	\$14,070,789	▼ -44.7%
Marketing Expense % *	65.8%	68.2%	▼ -2.4%
Administration Expense % *	25.7%	23.6%	▲ 2.1%
Surplus / (Deficit)	(\$3,723,017)	\$1,948,189	▼ (\$5,671,206)
Mktg Exp % of Revenue *	97.3%	58.8%	▲ 38.5%
Ind Aff Exp % of Revenue *	10%	4.4%	▲ 5.6%
Admin Exp % of Revenue *	38%	20.4%	▲ 17.7%
B LIQUIDITY			
Current Ratio	5.49:1	8.77:1	▼ -3.28:1
C CASH FLOW			
Cash on Hand	\$8,704,608	\$13,474,545	▼ -35.4%

\* For this metric, a result below target is favourable

	RESULT	TARGET		TREND
A PROFITABILITY	2022/2023 (YTD)			vs TARGET
Total Revenue	\$7,780,145	\$10,081,941	✗	▼ -22.8%
Marketing Expense % *	65.8%	66.4%	✓	▼ -0.6%
Administration Expense % *	25.7%	25%	✗	▲ 0.8%
Surplus / (Deficit)	(\$3,723,017)	(\$1,956,251)	✗	▼ -90.3%
Mktg Exp % of Revenue *	97.3%	79.2%	✗	▲ 18%
Ind Aff Exp % of Revenue *	10%	8.7%	✗	▲ 1.3%
Admin Exp % of Revenue *	38%	29.8%	✗	▲ 8.2%
B LIQUIDITY				
Current Ratio	5.49:1	2.00:1	✓	▲ 3.49:1
C CASH FLOW				
Cash on Hand	\$8,704,608		✓	▲

\* For this metric, a result below target is favourable

# Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit) - YTD Actual vs. Budget

	2022/2023 (YTD)	Budget (YTD)	YTD Actual vs YTD budget (\$)	YTD Actual vs YTD budget (%)
<b>Revenue</b>				
<b>Assessment Revenues</b>				
CAC Assessment Revenue	\$3,336,845	\$4,910,183	(\$1,573,338)	-32.04%
HAB Assessment Revenue	\$4,194,644	\$4,914,845	(\$720,201)	-14.65%
<b>Total Assessment Revenues</b>	<b>\$7,531,489</b>	<b>\$9,825,028</b>	<b>(\$2,293,539)</b>	<b>-23.34%</b>
<b>Other Revenue</b>				
Admin & Accounting Fee Revenue (AIP)	\$40,664	\$55,913	(\$15,249)	-27.27%
Pine Tree Ranch Crop Income	\$36,007	\$93,750	(\$57,743)	-61.59%
From The Grove Income	\$44,400	\$52,500	(\$8,100)	-15.43%
Interest and Other Income	\$117,221	\$53,750	\$63,471	118.09%
Merchandise Shop Income	\$10,364	\$1,000	\$9,364	936.40%
<b>Total Other Revenue</b>	<b>\$248,656</b>	<b>\$256,913</b>	<b>(\$8,257)</b>	<b>-3.21%</b>
<b>Total Revenue</b>	<b>\$7,780,145</b>	<b>\$10,081,941</b>	<b>(\$2,301,796)</b>	<b>-22.83%</b>
<b>Expenses</b>				
<b>Marketing Expenses</b>				
Consumer Marketing	\$4,497,296	\$4,594,788	(\$97,492)	-2.12%
Merchandising	\$1,405,811	\$1,562,556	(\$156,745)	-10.03%
Food Service	\$632,974	\$688,422	(\$55,448)	-8.05%
Consumer Public Relations	\$303,356	\$330,700	(\$27,344)	-8.27%
Marketing Activities Support	\$47,900	\$49,030	(\$1,130)	-2.30%
Merchandise Shop	\$13,147	\$10,000	\$3,147	31.47%
Miscellaneous Marketing Expenses	\$666,306	\$754,353	(\$88,047)	-11.67%
<b>Total Marketing Expenses</b>	<b>\$7,566,790</b>	<b>\$7,989,849</b>	<b>(\$423,059)</b>	<b>-5.29%</b>
<b>Non-Marketing Expenses</b>				
Industry Affairs & Production Research	\$777,324	\$879,784	(\$102,460)	-11.65%
Grants	\$199,787	\$163,000	\$36,787	22.57%
Administration	\$2,959,261	\$3,005,558	(\$46,297)	-1.54%
<b>Total Non-Marketing Expenses</b>	<b>\$3,936,372</b>	<b>\$4,048,342</b>	<b>(\$111,970)</b>	<b>-2.77%</b>
<b>Total Expenses</b>	<b>\$11,503,162</b>	<b>\$12,038,191</b>	<b>(\$535,029)</b>	<b>-4.44%</b>
<b>Operating Profit</b>	<b>(\$3,723,017)</b>	<b>(\$1,956,251)</b>	<b>(\$1,766,766)</b>	<b>-90.31%</b>
<b>Net Income</b>	<b>(\$3,723,017)</b>	<b>(\$1,956,251)</b>	<b>(\$1,766,766)</b>	<b>-90.31%</b>

# Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit) - YTD Actual vs. Annual Budget

	2022/2023 (YTD)	Annual Budget	YTD Actual vs Annual Budget (\$)	YTD Actual vs Annual Budget (%)
<b>Revenue</b>				
<b>Assessment Revenues</b>				
CAC Assessment Revenue	\$3,336,845	\$4,935,938	(\$1,599,093)	-32.40%
HAB Assessment Revenue	\$4,194,644	\$4,940,625	(\$745,981)	-15.10%
<b>Total Assessment Revenues</b>	<b>\$7,531,489</b>	<b>\$9,876,563</b>	<b>(\$2,345,074)</b>	<b>-23.74%</b>
<b>Other Revenue</b>				
Admin & Accounting Fee Revenue (AIP)	\$40,664	\$61,000	(\$20,336)	-33.34%
Grant Funding	\$0	\$400,000	(\$400,000)	-100.00%
Pine Tree Ranch Crop Income	\$36,007	\$93,750	(\$57,743)	-61.59%
From The Grove Income	\$44,400	\$70,000	(\$25,600)	-36.57%
Interest and Other Income	\$117,221	\$55,000	\$62,221	113.13%
Merchandise Shop Income	\$10,364	\$1,000	\$9,364	936.40%
<b>Total Other Revenue</b>	<b>\$248,656</b>	<b>\$680,750</b>	<b>(\$432,094)</b>	<b>-63.47%</b>
<b>Total Revenue</b>	<b>\$7,780,145</b>	<b>\$10,557,313</b>	<b>(\$2,777,168)</b>	<b>-26.31%</b>
<b>Expenses</b>				
<b>Marketing Expenses</b>				
Consumer Marketing	\$4,497,296	\$4,736,549	(\$239,253)	-5.05%
Merchandising	\$1,405,811	\$1,894,648	(\$488,837)	-25.80%
Food Service	\$632,974	\$725,000	(\$92,026)	-12.69%
Consumer Public Relations	\$303,356	\$345,500	(\$42,144)	-12.20%
Marketing Activities Support	\$47,900	\$64,000	(\$16,100)	-25.16%
Merchandise Shop	\$13,147	\$10,000	\$3,147	31.47%
Miscellaneous Marketing Expenses	\$666,306	\$1,004,303	(\$337,997)	-33.65%
<b>Total Marketing Expenses</b>	<b>\$7,566,790</b>	<b>\$8,780,000</b>	<b>(\$1,213,210)</b>	<b>-13.82%</b>
<b>Non-Marketing Expenses</b>				
Industry Affairs & Production Research	\$777,324	\$1,429,560	(\$652,236)	-45.62%
Grants	\$199,787	\$402,500	(\$202,713)	-50.36%
Administration	\$2,959,261	\$3,441,160	(\$481,899)	-14.00%
<b>Total Non-Marketing Expenses</b>	<b>\$3,936,372</b>	<b>\$5,273,220</b>	<b>(\$1,336,848)</b>	<b>-25.35%</b>
<b>Total Expenses</b>	<b>\$11,503,162</b>	<b>\$14,053,220</b>	<b>(\$2,550,058)</b>	<b>-18.15%</b>
<b>Operating Profit</b>	<b>(\$3,723,017)</b>	<b>(\$3,495,907)</b>	<b>(\$227,110)</b>	<b>-6.50%</b>
<b>Net Income</b>	<b>(\$3,723,017)</b>	<b>(\$3,495,907)</b>	<b>(\$227,110)</b>	<b>-6.50%</b>



# Statement of Net Position (with Comparison to Prior Year)

	Sep 2023	%	Sep 2022	%	Variance (\$)	Variance (%)
<b>ASSETS</b>						
<b>Cash &amp; Equivalents</b>						
<b>CAC Cash and Short Term Investments</b>						
Petty Cash	\$240	0.0%	\$200	0.0%	\$40	20.00%
Cash in Bank	\$2,870,264	29.0%	\$3,781,862	27.2%	(\$911,598)	-24.10%
Cash in Bank-LAIF & Money Market	\$4,981,398	50.3%	\$8,737,091	62.8%	(\$3,755,693)	-42.99%
<b>Total CAC Cash and Short Term Investments</b>	<b>\$7,851,901</b>	<b>79.3%</b>	<b>\$12,519,153</b>	<b>89.9%</b>	<b>(\$4,667,251)</b>	<b>-37.28%</b>
<b>Cash in Bank, LAIF &amp; Money Market (held for...)</b>						
(Held for AIP)	\$852,706	8.6%	\$955,393	6.9%	(\$102,686)	-10.75%
<b>Total Cash &amp; Equivalents</b>	<b>\$8,704,608</b>	<b>87.9%</b>	<b>\$13,474,545</b>	<b>96.8%</b>	<b>(\$4,769,938)</b>	<b>-35.40%</b>
<b>Other Current Assets</b>						
<b>Other Current Assets</b>						
Assessment Receivable	\$610,929	6.2%	\$293,819	2.1%	\$317,110	107.93%
Other Receivable	\$4,883	0.0%	\$949	0.0%	\$3,933	414.43%
Prepays	\$96,601	1.0%	\$43,030	0.3%	\$53,571	124.50%
Merchandise Shop Inventory	\$64,056	0.6%	\$64,466	0.5%	(\$410)	-0.64%
<b>Total Other Current Assets</b>	<b>\$776,468</b>	<b>7.8%</b>	<b>\$402,264</b>	<b>2.9%</b>	<b>\$374,204</b>	<b>93.02%</b>
<b>Total Other Current Assets</b>	<b>\$776,468</b>	<b>7.8%</b>	<b>\$402,264</b>	<b>2.9%</b>	<b>\$374,204</b>	<b>93.02%</b>
<b>Total Current Assets</b>	<b>\$9,481,076</b>	<b>95.7%</b>	<b>\$13,876,809</b>	<b>99.7%</b>	<b>(\$4,395,733)</b>	<b>-31.68%</b>
<b>Fixed Assets</b>						
<b>Furniture</b>						
Furniture	\$187,904	1.9%	\$187,904	1.3%	\$0	0.00%
Accumulated Depreciation-Furniture	(\$187,904)	-1.9%	(\$155,556)	-1.1%	(\$32,348)	-20.80%
<b>Total Furniture</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$32,349</b>	<b>0.2%</b>	<b>(\$32,348)</b>	<b>-100.00%</b>
<b>Land Improvements</b>						
Land Improvements	\$0	0.0%	\$10,581	0.1%	(\$10,581)	-100.00%
<b>Total Fixed Assets</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$42,930</b>	<b>0.3%</b>	<b>(\$42,930)</b>	<b>-100.00%</b>
<b>Investments or Other Non-Current Assets</b>						
<b>Leased Assets</b>						
Operating Leases - Net	\$401,258	4.1%	\$0	0.0%	\$401,258	-
Capital Leases - Net	\$20,968	0.2%	\$0	0.0%	\$20,968	-
<b>Total Leased Assets</b>	<b>\$422,226</b>	<b>4.3%</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$422,226</b>	<b>-</b>
<b>Total Investments or Other Non-Current Assets</b>	<b>\$422,226</b>	<b>4.3%</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$422,226</b>	<b>-</b>
<b>Total Non-Current Assets</b>	<b>\$422,227</b>	<b>4.3%</b>	<b>\$42,930</b>	<b>0.3%</b>	<b>\$379,296</b>	<b>883.52%</b>
<b>Total Assets</b>	<b>\$9,903,303</b>	<b>100.0%</b>	<b>\$13,919,739</b>	<b>100.0%</b>	<b>(\$4,016,437)</b>	<b>-28.85%</b>
<b>LIABILITIES</b>						
<b>Accounts Payable</b>						
<b>Accounts Payable &amp; Accrued Expenses</b>						
Accounts Payable	\$450,033	4.5%	\$82,366	0.6%	\$367,667	446.38%
Accrued Expenses	\$156,964	1.6%	\$291,872	2.1%	(\$134,909)	-46.22%
<b>Total Accounts Payable &amp; Accrued Expenses</b>	<b>\$606,997</b>	<b>6.1%</b>	<b>\$374,239</b>	<b>2.7%</b>	<b>\$232,758</b>	<b>62.20%</b>
<b>Total Accounts Payable</b>	<b>\$606,997</b>	<b>6.1%</b>	<b>\$374,239</b>	<b>2.7%</b>	<b>\$232,758</b>	<b>62.20%</b>
<b>Other Current Liabilities</b>						
<b>Due to AIP</b>						
Due to AIP-Checking	\$298,918	3.0%	\$42,981	0.3%	\$255,937	595.46%
Due to AIP (MMA)	\$553,788	5.6%	\$912,412	6.6%	(\$358,623)	-39.30%
Deposit Due to CDFA/AIP	\$0	0.0%	\$18,000	0.1%	(\$18,000)	-100.00%
<b>Total Due to AIP</b>	<b>\$852,706</b>	<b>8.6%</b>	<b>\$973,393</b>	<b>7.0%</b>	<b>(\$120,686)</b>	<b>-12.40%</b>
<b>Other Payable (Vacation/Payroll/Sec. 125)</b>						
Section 125 Payable	\$0	0.0%	(\$80)	0.0%	\$80	100.00%
Vacation Payable - Short Term	\$117,193	1.2%	\$234,693	1.7%	(\$117,500)	-50.07%
Deferred Compensation Payable	\$0	0.0%	\$9	0.0%	(\$9)	-100.00%
<b>Total Other Payable (Vacation/Payroll/Sec. ...)</b>	<b>\$117,193</b>	<b>1.2%</b>	<b>\$234,622</b>	<b>1.7%</b>	<b>(\$117,429)</b>	<b>-50.05%</b>



	Sep 2023	%	Sep 2022	%	Variance (\$)	Variance (%)
<b>Leases</b>						
Operating Leases - Short-Term	\$141,194	1.4%	\$0	0.0%	\$141,194	-
Capital Leases - Short-Term	\$9,970	0.1%	\$0	0.0%	\$9,970	-
<b>Total Leases</b>	<b>\$151,164</b>	<b>1.5%</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$151,164</b>	<b>-</b>
<b>Total Other Current Liabilities</b>	<b>\$1,121,063</b>	<b>11.3%</b>	<b>\$1,208,015</b>	<b>8.7%</b>	<b>(\$86,952)</b>	<b>-7.20%</b>
<b>Total Current Liabilities</b>	<b>\$1,728,060</b>	<b>17.4%</b>	<b>\$1,582,253</b>	<b>11.4%</b>	<b>\$145,807</b>	<b>9.22%</b>
<b>Other Non-Current Liabilities</b>						
<b>Leases</b>						
Operating Leases - Long-Term	\$273,671	2.8%	\$0	0.0%	\$273,671	-
Capital Leases - Long-Term	\$11,028	0.1%	\$0	0.0%	\$11,028	-
<b>Total Leases</b>	<b>\$284,699</b>	<b>2.9%</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$284,699</b>	<b>-</b>
<b>Total Other Non-Current Liabilities</b>	<b>\$284,699</b>	<b>2.9%</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$284,699</b>	<b>-</b>
<b>Total Non-Current Liabilities</b>	<b>\$284,699</b>	<b>2.9%</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$284,699</b>	<b>-</b>
<b>Total Liabilities</b>	<b>\$2,012,758</b>	<b>20.3%</b>	<b>\$1,582,253</b>	<b>11.4%</b>	<b>\$430,505</b>	<b>27.21%</b>
<b>EQUITY</b>						
<b>Retained Earnings</b>						
<b>Net Reserves-Prior Periods</b>						
Net Reserves-Prior Periods	\$11,613,546	117.3%	\$10,412,423	74.8%	\$1,201,123	11.54%
<b>Surplus (Deficit)-Current Period</b>						
Surplus (Deficit)-Current Period	(\$3,723,002)	-37.6%	\$1,925,064	13.8%	(\$5,648,065)	-293.40%
<b>Total Retained Earnings</b>	<b>\$7,890,544</b>	<b>79.7%</b>	<b>\$12,337,486</b>	<b>88.6%</b>	<b>(\$4,446,942)</b>	<b>-36.04%</b>
<b>Total Equity</b>	<b>\$7,890,544</b>	<b>79.7%</b>	<b>\$12,337,486</b>	<b>88.6%</b>	<b>(\$4,446,942)</b>	<b>-36.04%</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$9,903,303</b>	<b>100.0%</b>	<b>\$13,919,739</b>	<b>100.0%</b>	<b>(\$4,016,437)</b>	<b>-28.85%</b>

## CALIFORNIA AVOCADO COMMISSION POUNDS & DOLLARS BY VARIETY

November 2022 Through September 2023

Month	Hass Pounds	Lamb Pounds	Gem Pounds	Others Pounds	Total Pounds	Hass Dollars	Lamb Dollars	Gem Dollars	Others Dollars	Total Dollars	Avg \$/Lb
Nov 2022	3,388	344	0	118,842	122,574	\$9,523	\$1,443	\$	\$12,888	\$23,854	\$0.195
Dec 2022	2,110		0	53,379	55,489	\$5,730	0	\$	\$41,456	\$47,186	\$0.850
Jan 2023	139,502		0	36,353	175,855	\$124,928	0	\$	\$23,972	\$148,900	\$0.847
<b>1st QTR</b>	<b>145,000</b>	<b>344</b>	<b>0</b>	<b>208,574</b>	<b>353,918</b>	<b>\$140,181</b>	<b>\$1,443</b>	<b>0</b>	<b>\$78,316</b>	<b>\$219,940</b>	<b>\$0.621</b>
Feb 2023	1,867,042		0	60,645	1,927,687	\$1,875,560	0	\$	\$36,851	\$1,912,411	\$0.992
Mar 2023	5,522,443		55,699	27,213	5,605,355	\$5,330,346	0	\$53,520	\$17,325	\$5,401,191	\$0.964
Apr 2023	31,204,693		1,598,144	35,106	32,837,943	\$29,805,132	0	\$1,291,734	\$36,055	\$31,132,921	\$0.948
<b>2nd QTR</b>	<b>38,594,178</b>	<b>0</b>	<b>1,653,843</b>	<b>122,964</b>	<b>40,370,985</b>	<b>\$37,011,038</b>	<b>0</b>	<b>\$1,345,254</b>	<b>\$90,231</b>	<b>\$38,446,523</b>	<b>\$0.952</b>
<b>1st Half</b>	<b>38,739,178</b>	<b>344</b>	<b>1,653,843</b>	<b>331,538</b>	<b>40,724,903</b>	<b>\$37,151,219</b>	<b>\$1,443</b>	<b>\$1,345,254</b>	<b>\$168,547</b>	<b>\$38,666,463</b>	<b>\$0.949</b>
May 2023	46,831,428	2,449	1,755,758	81,002	48,670,637	\$39,886,613	\$2,819	\$1,271,481	\$65,375	\$41,226,288	\$0.847
Jun 2023	54,782,888	1,181,020	1,615,538	4,390	57,583,836	\$50,919,412	\$1,165,024	\$1,383,244	\$3,221	\$53,470,901	\$0.929
Jul 2023	49,244,377	4,812,695	149,926	189,037	54,396,035	\$56,901,122	\$5,291,699	\$161,454	\$201,001	\$62,555,276	\$1.150
<b>3rd QTR</b>	<b>150,858,693</b>	<b>5,996,164</b>	<b>3,521,222</b>	<b>274,429</b>	<b>160,650,508</b>	<b>\$147,707,147</b>	<b>\$6,459,542</b>	<b>\$2,816,179</b>	<b>\$269,597</b>	<b>\$157,252,465</b>	<b>\$0.979</b>
Aug 2023	25,302,101	1,277,210	10,022	39,299	26,628,632	\$32,888,045	\$1,726,853	\$13,953	\$69,079	\$34,697,930	\$1.303
Sep 2023	4,452,229	130,824	6,990	51,702	4,641,745	\$5,609,740	\$144,242	\$12,361	\$90,230	\$5,856,573	\$1.262
<b>4th QTR</b>	<b>29,754,330</b>	<b>1,408,034</b>	<b>17,012</b>	<b>91,001</b>	<b>31,270,377</b>	<b>\$38,497,785</b>	<b>\$1,871,095</b>	<b>\$26,314</b>	<b>\$159,309</b>	<b>\$40,554,503</b>	<b>\$1.297</b>
<b>2nd Half</b>	<b>180,613,023</b>	<b>7,404,198</b>	<b>3,538,234</b>	<b>365,430</b>	<b>191,920,885</b>	<b>\$186,204,932</b>	<b>\$8,330,637</b>	<b>\$2,842,493</b>	<b>\$428,906</b>	<b>\$197,806,968</b>	<b>\$1.031</b>
<b>Total</b>	<b>219,352,201</b>	<b>7,404,542</b>	<b>5,192,077</b>	<b>696,968</b>	<b>232,645,788</b>	<b>\$223,356,151</b>	<b>\$8,332,080</b>	<b>\$4,187,747</b>	<b>\$597,453</b>	<b>\$236,473,431</b>	<b>\$1.016</b>
Year-to-Date % of Crop	94.29%	3.18%	2.23%	.30%	100.00%	94.45%	3.52%	1.77%	.25%	100.00%	
Year-to-Date Average \$/lb						\$1.018	\$1.125	\$0.807	\$0.857	\$1.016	



## BOARD ACTION

### ITEM 7: CODE OF CONDUCT AND ETHICS

#### SUMMARY:

The Commission has had a code of conduct and ethics policy since the inception of the Internal Controls Policies and Procedures in 2011. In 2013 the policy was updated and approved by the CAC Board but has remained on its second iteration for the past 10 years. As with most policies, it is good business practice to periodically review existing documents to ensure they continue to serve their purpose for the organization. With that in mind, CAC management and legal counsel, George Soares, have reviewed the existing code of conduct and ethics policy to ensure it is not only in line with other similar organizations, but continues to meet the needs of the Commission.

A code of conduct is defined by Board Effect as:

*"A code of conduct, also called a statement of values or code of ethics, is a policy that outlines the principles and standards that your nonprofit board members must follow. Your code of conduct should reflect your nonprofit's mission and values and connect them to professional behavior standards."*

Board Effect goes further explaining why Boards need a code of conduct:

*"A code of conduct guides the behavior of your board members, and it serves as a set of principles to guide their decision-making and other activities. Your code of conduct policy ensures that your board members are accountable for the decisions and choices they make."*

With these guiding principles in mind, the attached Code of Conduct and Ethics policy is presented for the Board's consideration. CAC Management and legal counsel will be prepared to discuss the proposed policy and any significant changes to the existing policy during the November 2023 Board meeting.

#### FISCAL ANALYSIS:

- Not applicable

#### BOARD OPTIONS:

- Approve the Code of Conduct and Ethics Policy as presented
- Approve the Code of Conduct and Ethics Policy with modification
- Take no action

#### STAFF RECOMMENDATION:

- CAC management recommends the Board discuss and approve an updated Code of Conduct and Ethics policy, either as presented, or with modification

#### EXHIBITS / ATTACHMENTS:

- CAC Code of Conduct and Ethics – Draft 11/9/23

## **California Avocado Commission Code of Conduct and Ethics**

### **I. INTRODUCTION**

This Code of Conduct and Ethics (Code) applies to all Board members, committee members, and alternates (collectively “Members”) of the California Avocado Commission (CAC). The purpose of this Code is to provide guidance on the ethical conduct required of Members. Ethical conduct and loyalty are inherent obligations and Members are expected to act in the best interests of CAC and to comply with CAC policies and procedures. Consequently, this policy is created to sustain the strong ethical culture upon which CAC is built and is foundational for conducting its activities.

This Code does not cover every issue that may arise, but is intended to summarize the principles that should guide the conduct of Members. CAC expects Members to conduct themselves in strict compliance with all legal and ethical obligations, and to avoid actual or the appearance of impropriety.

Members must also recognize that the Board acts as a collective entity. Success depends on the contributions of all Members and their ability to work well together. With the goal of embedding these core principles into the culture of CAC, this Code establishes standards of conduct required of Members.

### **II. RESPONSIBILITIES OF MEMBERS**

1. Duty of Care
  - a. Abide in all respects by this Code and all CAC policies and procedures and ensure they remain in good standing at all times.
  - b. Comply with applicable federal, state, and local laws and regulations.
  - c. Act in good faith, in a manner reasonably believed to be in CAC's best interest, and with such care, including reasonable inquiry, as a prudent person in a like position would use under similar circumstances.
  - d. Prompt reporting of violations of this Code, including any illegal activity, to the appropriate person or persons identified in this Code. (See section 7.)
  - e. Complete accurate and timely disclosures in reports and documents.
  - f. Be informed about the activities, goals, financial condition, and the procedures under which CAC operates.
  - g. Attend meetings; volunteer for committee assignments; participate in discussions, etc. Even if not in attendance, Members are responsible for Board/Committee actions.

## 2. Duty of Loyalty

- a. Avoid conflicts of interest (decisions in which a Member or his or her immediate family may benefit financially or in any other manner).
  - i. Disclose – If a Member thinks they have or may have a conflict of interest on a particular agenda item, they shall disclose such belief to the Chair (of the CAC or committee, as appropriate) prior to the meeting, if possible to determine whether a conflict actually exists.
  - ii. Abstain – If a Member has a conflict, the Member shall abstain from discussion and voting. The Chair may also instruct the Member not to attend the meeting during the time the matter is being discussed.
- b. Corporate Opportunity/Self-Dealing  
Members shall not profit in any way from CAC (e.g. using CAC resources for personal gain, selling products for use by CAC, etc.). Members shall not attempt to persuade any employee of CAC to leave the employment of CAC or to become employed by the Member or a related entity. Members shall not attempt to persuade exhibitors, advertisers, sponsors, suppliers, contractors, or any other person or entity with an actual or potential relationship with CAC to terminate, curtail, or not enter into a relationship with CAC or to in any way reduce the monetary or other benefits to CAC of such relationship.
- c. Confidentiality  
Members have a duty to maintain the confidentiality of proprietary and confidential information of CAC (unless otherwise required by law), and not utilize such information for their personal gain or to the detriment of CAC.
- d. Duty to Support  
When representing CAC, Members shall support positions taken by CAC.
- e. After Leaving Service  
Upon termination of service for any reason, Members shall promptly return to CAC all documents, electronic and hard files, reference materials, and any other CAC property in their possession. Such return of materials does not abrogate the Member's duty of confidentiality with respect to the information contained in the materials and the Member's duty of confidentiality continues after leaving service to CAC.

## 3. Relations with Staff

The Board has a duty to select a President (or establish other appropriate leadership) who shall guide CAC in its day-to-day activities with integrity and the best interests of CAC and the avocado industry in mind. The Board shall use its best efforts to ensure that the President complies with all federal, state, and local employment related laws and regulations, and that employees are hired, promoted, and disciplined fairly and in accordance with CAC's Employee Handbook. The Board takes employee and third-party complaints about the President's conduct seriously and will not tolerate retaliation against employees who makes good faith complaints against the President. The Board shall refrain from intruding on administrative matters that fall under the President's or other managers' responsibility and will adhere to CAC's Communications Policy.

#### 4. Relations among Members

Members shall cultivate an environment of respect, cooperation, and collegiality without unduly disrupting the Board's efficient and effective operation. Courtesy and a willingness to embrace diverse viewpoints shall govern Members' interactions. Disagreements, while permissible, must remain focused on the issues at hand—personal attacks are unacceptable. Members should never undermine, sabotage or falsely impugn other Members. This does not prohibit Members from filing or expressing complaints against one another, but such actions should be undertaken after careful consideration with the utmost good faith.

#### 5. Execution of Documents

- a. Timely response by Members in reviewing, signing and returning documents provided by CAC is essential to remain in good standing with CAC. Following is a partial list of such documents.
  - i. Acceptance to Serve
  - ii. Policies and Procedures
  - iii. Mandatory Ethics Orientation Training
  - iv. Mandatory Harassment Prevention Training
  - v. Application for California Government Identification Card
- b. Members shall provide proof that they have taken or have applied to take mandatory ethics orientation training, and sexual harassment and abusive conduct training, and provide proof of completion or the expected dates of completion.
- c. Newly elected/appointed Members shall have 30 days from receipt of documents by certified mail to return the signed documents, and evidence of completion of training or expected date of completion, as appropriate, to CAC.
- d. Currently serving Members who are delinquent in returning signed documents to CAC shall have 15 days to complete the requirements specified in subsection b) above.
- e. Failure of any Member to comply shall result in the immediate suspension of the Member from participating in any CAC activities including serving on the Board and committees of CAC.
- f. A suspended Member shall be reinstated upon completion of the requirements specified in subsection b) above.

### III. DISCLOSURE AND FINANCIAL INTEGRITY

1. Members shall comply with the disclosure controls and procedures and report:
  - a. Material information or unreported transactions that affect the disclosures made in the financial statements.
  - b. Information concerning significant deficiencies and material weaknesses in the design or operation of CAC's internal control over financial reporting which are likely to adversely affect the ability to record, process, summarize and report financial information.

- c. Fraud, whether or not material, that involves Members who have a significant role in internal control or financial reporting.

#### **IV. USE OF CAC ASSETS**

1. Assets

Protecting CAC assets is a fundamental fiduciary duty of Members. Members must exercise due diligence to prevent asset misappropriation. Members bear responsibility for the prudent utilization of CAC assets, ensuring their protection from loss, damage, misuse or theft. Usage of CAC identification, stationery, supplies, or equipment for personal or political purposes is strictly prohibited. Violations of this policy or any display of poor judgment in asset utilization may result in disciplinary action.

2. Funds

Members bear personal responsibility for all CAC funds under their control. CAC funds are designated solely for CAC purposes and may not be used for personal gain. Members with access to CAC funds in any form must adhere to the specified protocols for documenting, managing, and safeguarding money outlined in CAC policies. When Members are required to spend CAC funds or incur any reimbursable personal expenses, they shall use good judgment on CAC's behalf to ensure optimal value for each expenditure, alongside the timely and precise submission of expense reports and invoices.

3. CAC imposes strict standards to prevent fraud and dishonesty. Any evidence or information suggesting fraudulent or dishonest behavior must be promptly reported to the designated CAC authority for prompt investigation and possible disciplinary action.

#### **V. CONSTITUENTS AND SUPPLIERS**

1. Relationship

Members are prohibited from investing in or acquiring a financial stake in any business that has a contractual relationship with CAC or offers goods or services, where such investment or interest might influence, or give the appearance of influencing, their decision-making.

2. Gift, Entertainment, and Favors

Members shall not accept entertainment, gifts or personal favors that would actually or appear to undermine or influence their decisions.

#### **VI. GOVERNMENT RELATIONS**

Members shall comply with all applicable laws and regulations governing contact and dealings with government employees and public officials, and to adhere to high ethical, moral and legal standards of conduct.

#### **VII. REPORTING VIOLATIONS**

Members are responsible for carrying out and monitoring compliance with this Code including the reporting of possible or actual violations of the Code to the Chair or Board as appropriate.

Reports of suspected violations shall be investigated immediately. All reports shall be treated confidentially, except where disclosure is required to investigate a report or by applicable law or

legal process. Members shall be protected from retaliation of any kind.

## **VIII. DISCIPLINARY ACTIONS/TERMINATION/REMOVAL**

1. Members are required to strictly adhere to this Code. Failure to fulfill responsibilities under this Code may result in disciplinary action.
2. Appropriate action shall be taken against any person who is found to have violated any provision of this Code. Where laws have been violated, CAC shall fully cooperate with the appropriate authorities. Reprisal, threats, retribution or retaliation against any Member who has in good faith reported a violation or a suspected violation of law, this Code or other CAC policies, or against any person who is assisting in any investigation or process with respect to such a violation, are prohibited.
3. CAC may discipline or remove any Member from the Board or any committee for cause, as determined by a two-thirds vote at any properly called and noticed Board meeting where a quorum is present. In the event of removal from the Board, the vacancy shall be filled in the manner provided in Food and Agricultural Code section 67053. In the event of removal from a committee, the vacancy shall be filled in accordance with CAC bylaws.
4. The procedure for addressing complaints shall be as follows:
  - a. Complaints shall be in writing and forwarded to the Executive Committee who shall determine whether the complaint merits formal process. If the Member who is the subject of the complaint is on the Executive Committee, the Member shall not participate in any discussions and/or decision regarding the complaint. If the complaint is not one that can be informally resolved, the following process shall be followed.
  - b. The Member shall be provided written notice of the complaint which shall be sent by certified mail or the equivalent. Notice shall be deemed received on the date of delivery as confirmed by the carrier.
  - c. The written notice shall provide at least 14 calendar days for the Member to respond. The Member's response shall be in writing and may be either or both of the following:
    - i. A written statement and any documents detailing arguments against discipline or removal, or
    - ii. A written statement and any documents detailing arguments against discipline or removal and a request for an in-person hearing before the Board.
  - d. If the Member provides a response within the required time period, the Chair shall call a special Board meeting (or utilize an already scheduled regular meeting) to hear the matter. If the Member provides a written statement and documents, if appropriate, the Board shall consider this information and information provided by CAC legal counsel and other sources, and render its decision based on all such information. If the Member requested an in-person hearing, the Board shall provide the Member with a reasonable amount of time at the Board meeting to address the issues specified in the complaint.
  - e. If the member does not respond, the Board shall utilize any information in its possession and take any action it determines to be appropriate.



- f. The decision to hold the Board meeting in open or closed session shall be governed by state law based on the facts of the particular matter. If the law allows but does not require a closed session, the Chair shall determine the manner in which to proceed.
- g. Following consideration of information as specified above, the Board shall render its decision, which may result in no action, a written reprimand, temporary suspension from the Board or committees, or removal from the Board and/or committees. The decision of the Board shall be final.
- h. The Member may be prevented from attending closed sessions of the Board and committees pending resolution of the complaint.



## BOARD ACTION

### ITEM 8.a: RECOMMEND MEMBER AND ALTERNATE TO SERVE ON THE HASS AVOCADO COMMITTEE

#### SUMMARY:

In January 2014 the Hass Avocado Board (HAB) approved a proposal presented by their International Representation Committee that allows offshore representatives of the avocado industry to have a voice and a vote on matters before they are considered by the HAB board. As a result, the Hass Avocado Committee (HAC) was created to make recommendations that assist the HAB to carry out the purposes and objectives of the Act and Order. The composition of the committee includes current HAB board members (directors and alternates) and one representative and one alternate from each organization receiving HAB rebate assessment dollars.

On August 1, 2023 CAC received a letter from HAB Chairman Jorge Hernandez requesting names of individuals to serve, on behalf of CAC, as a member and alternate on the HAC for a one-year term beginning December, 2023. While the letter requests CAC's recommendations by October 31, 2023, it also states it is preferable that CAC consider nominating individuals who are voting members of the Board. With the new CAC Board scheduled to be seated at the November 16, 2023 meeting, CAC management contacted HAB to request the recommendation of HAC nominees take place at the November meeting, to which HAB was agreeable. At this time, action is required by the CAC Board to recommend HAC nominees.

#### FISCAL ANALYSIS:

- Not applicable.

#### BOARD OPTIONS:

- Not applicable

#### STAFF RECOMMENDATION:

- Not applicable

#### EXHIBITS / ATTACHMENTS:

- Letter from HAB Chairman Jorge Hernandez Requesting CAC Representatives for Hass Avocado Committee
- Hass Avocado Committee Functions
- HAB Updated Travel Policy

August 1, 2023  
Mission Viejo, CA

Via Email

**California Avocado Commission**

Rob Grether, Chairman

Jeff Oberman, President

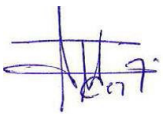
Dear Chairman Grether and President Oberman,

In accordance with the Hass Avocado Committee (HAC) appointment and nomination process approved by the Hass Avocado Board in 2014 (attached for your reference), I am writing to seek the names of individuals who wish to serve as the California Avocado Commission (CAC) representative on the HAC. Please provide one or multiple names by October 31, 2023. When selecting your nominees, it would be preferable that the individuals are voting board members of the California Avocado Commission (CAC) during the November 2023 to October 2024 period.

HAC members will be appointed by the Board at the annual meeting, which will be held on December 6 & 7, 2023. The first meeting of the newly appointed HAC will be on December 6 & 7, 2023. The term of the committee shall be one year, but an existing committee may serve until the new committee is available to be seated. Please note that HAC usually meets four times per year, all meetings take place in the United States or via Zoom and are carried out in English. HAB will pay for all travel expenses incurred by the committee members and alternates according to HAB's Travel Policy.

HAC strengthens the relationships and collaboration between HAB and the member organizations that obtain 85% of the assessment revenue. HAB looks forward to continuing the engagement with your organization and to receiving your nomination no later than October 31, 2023. If you have any questions, please don't hesitate to contact me or Emiliano Escobedo.

Sincerely,



Jorge Hernandez, Chairman  
Hass Avocado Board

Attachments:

- Hass Avocado Committee Functions
- Updated Travel Policy



## Hass Avocado Committee

### Composition, nominations and appointments, quorum, voting and procedures

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#### COMPOSITION:

- Seven producer members of HAB (nominated and appointed in the matter specified below).
- Five importer members of HAB (nominated and appointed in the matter specified below).
- One member from each importer organization certified by the Secretary to receive assessment funds under Section 1219.58 of the Order (nominated and appointed in the matter specified below).
- One member representing the California Avocado Commission (nominated and appointed in the matter specified below).
- Each member of the committee shall have an alternate, who may serve in the absence of the committee member.

*Note: Throughout, this document we will use the term “member organizations” to refer to the importer and state associations that receive assessments through the Act and the Order.*

#### NOMINATIONS AND APPOINTMENTS:

- Around 90 days before the annual meeting, the HAB chair shall communicate to the member organizations and other organizations representing the avocado industry within the growing regions to seek, through the member organizations, the names of individuals who wish to serve as members and alternates of the committee.
- Each member organization, through its chief executive, shall submit to the HAB chair the names of the individuals nominated to serve as the member and alternate on the committee. Each organization may provide one name or multiple names for each member and alternate position. In addition, the member organization is to nominate an alternate for a position and may provide one name or multiple names for an alternate position. In choosing their nominees, the member organizations shall consider the ability of the individual nominated to serve on the committee to travel to attend meetings in the United States.
- The chair of HAB shall appoint the committee chair, subject to the approval of the HAB, and may appoint a vice chair or other officers he or she deems appropriate. The HAB chair shall appoint, from the names provided by the member organizations, the individuals who will occupy

the member organization seats on the committee. If no name has been submitted for a position, the chair of HAB may appoint someone for that position. The HAB chair shall also appoint the producer and importer members and their alternates appointed by the Secretary to serve on the HAB. The same process will be repeated for alternate positions.

- The appointments shall occur on or soon after the annual meeting in which the HAB appoints a chair. The term shall be one year, but an existing committee may serve until the new committee is available to be seated.

## **QUORUM AND VOTING:**

- The committee may only take action if a quorum is established either in person or via electronic means. A quorum shall be established if a majority (one more vote than 50 percent) is present.
- A motion before the committee is approved only if favored by a simple majority (one more vote than 50 percent) of each of the three categories voting in the affirmative. In other words, for a motion to pass, it must receive favorable votes from (a) four of the seven producers, (b) three of the five importers, and (c) three of the four association members.
- The voting requirements apply to the committee only; for HAB, a motion passes if favored by a majority of those voting.

## **PROCEDURES:**

- The HAB and the committee shall meet at the same location, date and time of the HAB meetings.
- First, the committee will consider its business and provide its recommendations.
- When the committee completes its consideration of its business, the HAB shall then convene and vote on matters on which the committee has approved. A motion not approved by the HAB may not be forwarded to the Secretary for approval. In addition, HAB may consider any motion that failed passage in the committee.
- Because HAB members have already participated in the discussions and approved items of business of the committee, the motions before the HAB or other business may be voted on either individually or as a group.



## Travel & Entertainment Policy

Amended & Approved by the Board: 06/20/2023

Approved by USDA 07/13/2023

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## **HASS AVOCADO BOARD TRAVEL EXPENSE POLICY**

This policy supersedes the previously approved Hass Avocado Board Travel and Entertainment Expense Policy.

### **I. General**

The Hass Avocado Board (HAB) will reimburse Members and Staff for all reasonable and necessary expenses incurred in connection with travel on authorized Board business which are approved as activities in support of the Act and Order. Members and Staff are responsible for complying with this Policy. Members and Staff submitting expenses that are not in compliance with this policy risk delayed, partial, or forfeited reimbursement. Members and Staff are expected to use prudent business judgement regarding expenses covered by this Policy.

HAB will limit reimbursement of travel expenses specified under this policy for up to one day prior to the day of the event/function, the night of the event/function, and if necessary, an additional day after the last event/function attended. Reimbursement for any additional days will require written pre-approval with justification, such as evidence that no flights are available at a reasonable hour.

### **2. Policy Application**

- A. Hass Avocado Board Members, Board Alternates and Committee Members will be governed by this policy and will be referred to as “Member” throughout this document.
- B. The term “Staff” refers to employees of the Hass Avocado Board.
- C. The term “Executive Director” refers to the Hass Avocado Board’s Chief Executive.
- D. The Hass Avocado Board will be referred to as “Board” throughout this document.
- E. The term “Officer” refers to an Officer of the Board (Chairperson, Vice Chairperson, Treasurer, or Secretary).
- F. Business meal refers to a meal consumed by a Member or Staff when traveling on HAB Business or when HAB related business is discussed during the meal. Business meals are subject to daily allowance limits established under Section 6 (Meal Allowance) of this policy. The purchase of alcoholic beverages is permitted as part of business meals.
- G. Entertainment refers to a meal or beverage consumed with a guest(s) or a group of staff for a valid business purpose. Entertainment does not count toward the daily allowance established under Section 6 (Meal Allowance) of this policy. Alcoholic beverages are permitted as part of entertainment.
- H. Group meals refers to a meal consumed at HAB hosted events to which all members and staff are invited. Group meals do not count toward the daily allowance established under

Section 6 (Meal Allowance) of this policy. Alcoholic beverages are permitted as part of group meals.

### **3. Pre-Approvals for Travel**

- A. Pre-approval should be done via e-mail to the appropriate person for approval. The pre-approval should include the business purpose, expense, justification, comparatives, or reasoning if appropriate.
- B. All staff travel, except for travel included in annual plans and budgets adopted by the Board, must be pre-approved by the staff member's immediate supervisor, Executive Director, or an Officer of the Board.
- C. The Executive Director will obtain pre-approval for travel from the Chairperson. If the Chairperson is not available another Officer may review and approve the travel.
- D. All Member travel, except for approved meetings, must be pre-approved by the Board Treasurer. If the Board Treasurer is unavailable, another Officer may review and approve the travel.
- E. Board Treasurer, the Treasurer will obtain Pre-approval from the Chairperson or another Officer.

### **4. Transportation**

#### **A. Personal Vehicle**

- I. Members and Staff who utilize personal vehicles for business purposes are required to have a valid driver's license. Mileage will be reimbursed at the current allowable IRS rate. When a personal vehicle is used for Board business, it must carry the minimum insurance coverage required by law for bodily injury and property damage. Staff using their own personal vehicles for business shall be reimbursed for their actual miles traveled above and beyond their normal commute only. Members and Staff are responsible for all parking fines and moving violation tickets.

#### **B. Rental Vehicle**

- I. In general, an intermediate or smaller car is the car type within policy; however, the size and type of the rental car should be appropriate for the number of people in the car and the road conditions on which it will be used. In-car navigation systems and electronic toll payment options for rental cars are considered reimbursable. All other convenience options, e.g. satellite radio, are considered non-reimbursable.
- 2. When renting cars in the US, it is not necessary to purchase rental car insurance as the HAB maintains rental car coverage. When renting a car internationally, it is necessary to purchase insurance at the time of the rental. To maximize cost savings, Members and Staff



should refuel rental cars prior to returning. Gasoline for rental car use will be reimbursed as long as gasoline for the car rental is purchased under a self-service option. Rental car “pre-pay” options will not be reimbursed.

C. Local Transportation/ Travel

1. The most efficient form of transportation should be used to get to and from hotels, airports and other destinations.
2. Allowable methods of transport include shuttles, cabs, ride share and public transportation. Car service is allowed only if the total cost is comparable to that of a cab/ride share fare.

D. Air Travel

1. All reimbursable air transportation must originate and terminate within the United States. Any air travel originating from outside the United States must be justified and explained with full documentation on the pre-approval request. Hass Avocado Committee members domiciled outside the United States shall be reimbursed for air travel originating and terminating from their domicile outside the United States.
2. In order to optimize cost savings for HAB, travel arrangements should be arranged at least seven days in advance for domestic travel and fourteen days in advance for international travel. Flight insurance is encouraged and is a reimbursable expense to cover unforeseen expenses resulting from medical, family emergencies, accidents, and flight cancellations. All Members and Staff are encouraged to search for the lowest available restricted but changeable fare, rather than fully-refundable fare. HAB will reimburse Members and Staff for any justifiable flight changes.
3. All Members and Staff must fly coach for total air travel less than 3 hours within the United States, Mexico, or Canada. For total air travel longer than 3 hours within the United States, Mexico, or Canada, Members and staff are permitted to fly upgraded economy or equivalent, but not business class. For international travel to countries to other than Mexico or Canada, Members and Staff are permitted to fly business class for on trips exceeding six hours. First class air travel is not reimbursable. Personal miles or points may be used to upgrade to a higher-class service, or the traveler may opt to pay personally for an upgrade.
4. Airline receipts from the carrier shall be included with the expense report form. Travel agent receipts submitted must be accompanied by the airline receipt and include the E-ticket number and record locator for the flights in order for HAB to verify records. Travel Agent Invoices submitted without proper back-up will not suffice and may delay reimbursement.
5. HAB will reimburse airline baggage fees for up to 1 standard checked bag. Pre- approval to check additional bags at HAB expense with written justification may be approved.

6. HAB will reimburse airline fees associated with seat selection at time of check-in, priority boarding and on air Wi-Fi costs during flight.
7. When Members are attending other HAPRI association meetings during the same period as HAB events/functions, HAB will reimburse 50% of the air travel related expenses.

## **5. Lodging**

- A. In cities where the HAB has contracted with a specific hotel, Members and Staff will book a room at the contracted hotel. In cities where there is more than one contracted hotel, the Members and staff may choose among contracted hotels. When travel schedules require early hotel check in and additional hotel charges are incurred, the additional charges are considered reimbursable.
- B. In cities where HAB does not have a contracted hotel, or all contracted hotels are sold out, the lodging selected must not exceed the maximum nightly rates (before taxes and fees) listed below:
  - \$450 metropolitan areas including New York City, Los Angeles, Washington D.C. and International locations.
  - \$350 All other U.S. locations.
- C. At times, when demand is high and hotels are sold out, the hotel rooms still available are priced higher than the HAB's stated maximum rate. In this case, Members and Staff will book the most reasonable option and retain a record of why the maximum rate was exceeded and submit for pre-approval. If a Member or Staff must cancel a hotel reservation, they should do so through the site/method through which the reservation was originally booked. Members should plan early to avoid cancellation fees. A "no-show" charge is not reimbursable unless it results from unavoidable circumstance.
- D. In certain circumstances it may be desirable and cost efficient to use alternate forms of lodging such as Airbnb, VRBO, rentals and others. These alternate accommodations may be used when the total cost of the stay (including booking and cleaning fees but excluding taxes and other fees) is comparable to the nightly rates published above for the same number of nights.
- E. Exclusions -- certain research and promotional HAB hosted events (for example ANSA meetings, media and influencer events) may not fall under the nightly rate limit stated under item 2. In such cases the total lodging cost will be covered in the board approved budget and business plan.

## **6. Meal Allowance**

- A. Members and Staff will be reimbursed up to a daily maximum of \$150.00 per claimant excluding applicable taxes and a maximum gratuity of 20%. The maximum includes any daily combination of meals, snacks, minibar, and beverages. Members and Staff should ask for separate checks to avoid

exceeding the \$150.00 daily maximum. Itemized receipts are required to support all meal expenses, including meals charged to the hotel room.

- B. When a member or staff attends a HAB hosted group meal, the meal will count against the daily allowance. The deductions from the daily allowance are as follows: If the group meal is breakfast, deduct 25% from the daily allowance, if the group meal is lunch, deduct 25% from the daily allowance and if the group meal is dinner deduct 50% from the daily allowance.

## **7. Seminars, Conferences & Conventions**

- A. Members must obtain pre-approval prior to attending a seminar, conference, lecture, or other event of a business nature. Attendance by Staff shall be considered approved when annual plans and budgets are adopted by the Board, otherwise they shall follow the pre-approval process.

## **8. Miscellaneous**

### **A. Incidentals:**

The Board will reimburse, with a receipt when possible, the following items:

- 1. Internet, and facsimile expenses related to Board business.
- 2. Laundry and dry-cleaning services when traveling on Board business for more than five consecutive days.
- 3. Tolls, parking, porter and baggage handling tips.

### **B. International Travel**

- 1. International travel by Staff shall be considered approved when annual plans and budgets are adopted by the Board, otherwise they shall follow the pre-approval process.
- 2. All expenses must be shown in U.S. dollar values. The currency exchange rate that will be accepted by the HAB is from the US Treasury Department's Financial Management Services as well as the daily exchange rates listed on receipts and/or credit card statements. Use the "Comments" section of expense report to indicate foreign currency exchange rates used.

## **9. Travel Expense Reports**

- A. Falsification of a travel expense report will be brought to the Board's attention.
- B. Expense reports should be submitted to the HAB finance department after completion of each trip, and within a reasonable amount of time, not to exceed 3 months. Electronic submission is preferred for processing.

- C. If obtained, a copy of the pre-approval and supporting documentation must be submitted with the travel expense report form.
- D. A receipt must be submitted for any expense over \$20. The hotel invoice or folio are insufficient supporting documentation for room charges, please include itemized receipts for room charges and meals.
- E. It is preferable for travelers to submit original receipts; however, if originals are not submitted, the traveler must retain original receipts for at least three years in case of an audit. Original receipts are receipts for cash expenses or hard-copy printouts from electronic sources, such as for airfare or lodging. If a receipt is unavailable or lost, a written statement is required by the claimant providing the reason and detail of the expenditure.
- F. All meal and entertainment expenditures subject to reimbursement must include:
  - Names of people in attendance and relationship to HAB.
  - Business purpose - In the case of Board functions, an invitation to Board functions will suffice.
  - Place where the expense took place.
  - Date of expense.
  - Amount to be reimbursed.
- G. A member or staff that expenses a meal instead of attending a HAB hosted group meal should include an explanation in the Travel Expense Report.

## **10. Travel Expense Form Approvals**

- A. If the traveler is Staff, the expense report form shall be approved by the Staff member's immediate supervisor, or the Executive Director. If the Executive Director is not available, the expense report form can be approved by the Board Chairperson or Board Treasurer.
- B. If the traveler is the Executive Director, the expense report form shall be approved by the Board Chairperson or the Board Treasurer.
- C. If the traveler is an officer, the expense report form must be reviewed and approved by the Board Chairperson. If the Board Chairperson is unavailable, another Officer may review and approve the form.
- D. If the traveler is the Board Chairperson, the expense report form must be reviewed and approved by the Board Treasurer first. If the Board Treasurer is unavailable another Officer may review and approve the form.

- E. If the traveler is a Member, the expense report form must be approved by the Board Treasurer first. If the Board Treasurer is unavailable, another Officer may review and approve the form.

## **11. Exclusions**

The following expenses are not reimbursable:

- A. In-room mini-bar alcohol purchases.
- B. Personal expenses (movies, games, spa visits, golf outings, optional social activities.)
- C. Traffic and/or parking violation fines, towing charges, legal fees, or other payments resulting from illegal actions.
- D. Vehicle fuel purchases when mileage is being reimbursed.
- E. Repairs to personal vehicles.
- F. Family members' and guest expenses,' including room service or extra hotel charges for additional guests.
- G. Laundry service unless the trip is longer than five days.
- H. Lunches and dinners without a primary business purpose. The fact that lunchtime or dinnertime is a convenient time to meet does not convert a personal expense to a business expense.
- I. First-class fare.
- J. Tips in excess of 20%.
- K. Travel accident insurance premiums.

## **12. Covid Stay Exclusion**

- A. The following guidance is for members and staff members who believe they have been in contact with a person with COVID while traveling on authorized board business or have tested positive for COVID while traveling on authorized board business.

If the member or staff person cannot travel home due to COVID exposure or infection and needs to extend their stay while traveling on authorized board business, HAB will reimburse members and staff for their hotel, travel, and meal expenses for a period of up to 10 days from the date diagnosis was received from a valid test or date of exposure. Expenses must be submitted in accordance with the Hass Avocado Board Travel Policy. HAB will also reimburse any airline ticket change fees incurred because of the extended stay period.

To qualify for reimbursement for a COVID STAY EXCLUSION, the member or staff person must document their exposure to COVID including the date, place, and time of the exposure and how they were notified of the exposure. A positive COVID test taken by a third-party health professional during the travel period will also be accepted as proof to qualify for a COVID STAY EXCLUSION reimbursement.

The expenses incurred under the COVID STAY EXCLUSION will be reviewed and approved per this policy.



## BOARD ACTION

### **ITEM 8.b: RECOMMEND TWO MEMBERS TO SERVE ON THE HASS AVOCADO BOARD AVOCADO SUSTAINABILITY ADVISORY**

#### **SUMMARY:**

On August 1, 2023, CAC received a letter from Hass Avocado Board Chairman Jorge Hernandez seeking the names of two individuals who wish to serve as the California Avocado Commission representative members on the HAB Avocado Sustainability Advisory. In his request, Mr. Hernandez states that in choosing nominees, it would be preferable that the individuals meet the criteria laid out in the HAB-approved Functions and Responsibilities for the ASA, as outlined in the attached exhibit. It is noted that ASA members will be appointed by the HAB board shortly after the annual meeting, held in December 2023. It is noted that an existing committee member may be reappointed to serve successive one-year terms. Also, HAB will pay for all expenses incurred by the advisory members according to HAB's Travel Policy.

Mr. Hernandez had requested that CAC provide the names for the two member positions by October 31, 2023, therefore recommendations should be made during this CAC Board meeting.

#### **FISCAL ANALYSIS:**

- Not applicable - HAB will pay for all expenses incurred by the advisory members according to HAB's Travel Policy.

#### **BOARD OPTIONS:**

- Recommend two nominees to serve as members on the HAB Avocado Sustainability Advisory

#### **STAFF RECOMMENDATION:**

- Staff recommends the CAC Board discuss and submit the names of two individuals to serve on the HAB ASA

#### **EXHIBITS / ATTACHMENTS:**

- Letter from HAB Chairman Jorge Hernandez Requesting CAC Nominees to Serve on the Avocado Sustainability Advisory
- Avocado Sustainability Advisory Functions and Responsibilities
- Article 7 from HAB Bylaws
- HAB Travel Policy

August 1, 2023  
Mission Viejo, CA

Via Email

**California Avocado Commission**

Rob Grether, Chairman

Jeff Oberman, President

Re: Request for Nominees to Serve on the Avocado Sustainability Advisory

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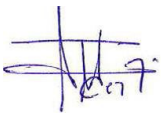
Dear Chairman Grether and President Oberman,

In accordance with the Bylaws of the Hass Avocado Board (HAB) Avocado Sustainability Center (ASC), and the Avocado Sustainability Advisory (ASA) appointment and nomination process passed by the Hass Avocado Board on September 20, 2021 (attached for your reference), I am writing to seek the names of two (2) individuals who wish to serve as the California Avocado Commission (CAC) representative members on the ASA. Please provide the names of the two-member positions for the 2024 calendar year. In choosing your nominees, it would be preferable that the individuals meet the criteria laid out in the HAB-approved Functions and Responsibilities for the ASA that is also attached. HAB will pay for all travel expenses incurred by the advisory members according to HAB's Travel Policy (attached).

The board will appoint the Avocado Sustainability Advisory members shortly after the annual meeting, held on December 7, 2023. The term of the ASA shall be one year but may serve until a new ASA is seated. A committee member may be reappointed to serve successive one (1) year terms.

We believe the ASC and the ASA will accelerate the sustainability effort of the avocado industry in the United States. HAB looks forward to continuing the engagement with your organization and receiving your nominations no later than October 31, 2023. If you have any questions, please don't hesitate to contact Emiliano Escobedo or me.

Sincerely,



Jorge Hernandez, Chair  
Hass Avocado Board

Attachments:

- Avocado Sustainability Advisory Functions and Responsibilities
- Article 7 from HAB Bylaws
- Updated Travel Policy





## Avocado Sustainability Advisory Functions and Responsibilities

### ADVISORY FUNCTIONS AND PURPOSE

The Avocado Sustainability Advisory (ASA) shall be governed in its deliberations and in the transaction of business by the Bylaws of the Hass Avocado Board (HAB) and by the provisions of both the Hass Avocado Promotion, Research and Information Act (Act) and the Hass Avocado Promotion, Research and Information Order (Order).

Through its leadership, the ASA will provide direction in alignment with the Hass Avocado Board's overall purpose, mission, vision and guiding values that results in the Avocado Sustainability Center (ASC) becoming the premier provider of sustainability research, data and information for the Hass avocado industry and a trusted thought-leader in the field of sustainability and agriculture that will provide a better future for the industry. Moreover, the ASA will seek to build and ensure a productive culture fostering the collaboration and exchange of ideas and information, taking into consideration the sustainability interests and goals of the geographic regions represented by associations that receive assessments pursuant to the Act and the Order.

### COMPOSITION OF THE ASA AND TERM

The ASA will be comprised of two (2) HAB Board members and two (2) representatives of each state or importer organization that receives assessments pursuant to the Act and the Order. All ASA members shall be appointed in accordance with the HAB Bylaws. The term of each ASA member shall be in accordance with the HAB Bylaws.

### ASA MEMBER RESPONSIBILITIES

Each ASA member will abide by the Hass Avocado Board member governance roles and responsibilities and abide by HAB Bylaws, policies and procedures and the provisions of the Act and the Order that govern the HAB.

Each ASA member will take an active and constructive role in helping the ASA perform its work. ASA members will exemplify the guiding principles of the ASA and will bring value to the ASA through being:

#### I. An engaged representative of their respective associations

ASA members will be prepared to represent their region and association to the best of their ability. Members will play an active role by participating in discussions that are happening in

their specific region and will relay those findings to the ASA. Members will be a voice for their respective association and will be responsible for serving as a liaison between their association and the ASA to share updates between the two. Members must be effective communicators and a reliable conduit to their associations to keep dialogue open and maintain a constant flow of information between the two groups.

## **2. Knowledge of sustainability practices**

Members will take the necessary steps and actions to remain well-informed on all aspects of sustainability issues, specifically across the three main pillars: people, planet and profit. Members will be oriented towards science and research and will abide by the guiding values of the ASA, ensuring that the work of the ASA is focused on providing a better future for generations to come.

In addition to compliance with the conflict-of-interest policy observed by the Hass Avocado Board, members will conduct the business of the ASA with loyalty to the HAB and the Avocado Sustainability Center, bringing independent-mindedness without bias to any personal, professional or organizational affiliation.

## **3. An active, prepared, and committed participant**

Working collegially in a productive and respectful manner, the ASA members will bring their expertise and experience from their respective cultures, associations and geographies to their ASA duties to work in support of the Avocado Sustainability Center and its constituents.

Members will be active participants, including being fully prepared for meetings and making meeting attendance, participation and follow-through a priority, as well as taking the initiative to be an informed representative on sustainability as it relates to the ASA. Members will ensure productive and strategic dialogue is employed to move the interests of the ASA forward, without bias to any personal, professional or organizational affiliation.

In addition to the responsibilities outlined above, the ASA will be responsible for the annual nomination of a ASA Chairperson and the submission of that nomination to the Hass Avocado Board. The ASA will be expected to nominate a candidate that has the best interest of the industry in mind and who will exemplify the guiding principles of the ASA.

## **ARTICLE 7**

### **Avocado Sustainability Advisory**

**Section 1.** There shall be a committee referred to as the Avocado Sustainability Advisory (ASA) and its role is to govern the Avocado Sustainability Center (ASC).

**Section 2.** The committee shall be composed of (i) two (2) HAB Board members appointed by the HAB Chairperson and (ii) two (2) representatives of each state or importer organization that receives assessments pursuant to the Act and the Order. Each respective state or importer organization shall nominate two (2) representatives selected from names submitted by the stakeholders of such respective organizations after notification is made to affected stakeholders regarding the nomination process. The HAB Chairperson shall then appoint to the Committee the two (2) nominated representatives of each such state or importer organization. If no names are nominated by a respective state or importer organization, then the HAB Chairperson shall select and appoint two (2) members of the committee on behalf of such respective state or importer organization.

**Section 3.** The committee will nominate a committee Chairperson and submit the name to the HAB Chairperson. The HAB Chairperson will appoint the committee chairperson nominated by the committee. If no chairperson is nominated by the committee, then the HAB Chairperson shall select and appoint a committee chairperson.

**Section 4.** A member's term of service on the committee shall be for one (1) year, but a member may continue to serve past one (1) year until a new committee has been appointed. A committee member may be reappointed to serve successive one (1) year terms.

**Section 5.** To constitute a quorum for a committee meeting, at least one more than half of those assigned to the committee must be present. No proxy voting shall be allowed at a committee meeting.

**Section 6.** For any action to be approved by the committee, it must receive the concurring votes of members representing more than 66 percent of those present and voting.



## Travel & Entertainment Policy

Amended & Approved by the Board: 06/20/2023

Approved by USDA 07/13/2023

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## **HASS AVOCADO BOARD TRAVEL EXPENSE POLICY**

This policy supersedes the previously approved Hass Avocado Board Travel and Entertainment Expense Policy.

### **I. General**

The Hass Avocado Board (HAB) will reimburse Members and Staff for all reasonable and necessary expenses incurred in connection with travel on authorized Board business which are approved as activities in support of the Act and Order. Members and Staff are responsible for complying with this Policy. Members and Staff submitting expenses that are not in compliance with this policy risk delayed, partial, or forfeited reimbursement. Members and Staff are expected to use prudent business judgement regarding expenses covered by this Policy.

HAB will limit reimbursement of travel expenses specified under this policy for up to one day prior to the day of the event/function, the night of the event/function, and if necessary, an additional day after the last event/function attended. Reimbursement for any additional days will require written pre-approval with justification, such as evidence that no flights are available at a reasonable hour.

### **2. Policy Application**

- A. Hass Avocado Board Members, Board Alternates and Committee Members will be governed by this policy and will be referred to as “Member” throughout this document.
- B. The term “Staff” refers to employees of the Hass Avocado Board.
- C. The term “Executive Director” refers to the Hass Avocado Board’s Chief Executive.
- D. The Hass Avocado Board will be referred to as “Board” throughout this document.
- E. The term “Officer” refers to an Officer of the Board (Chairperson, Vice Chairperson, Treasurer, or Secretary).
- F. Business meal refers to a meal consumed by a Member or Staff when traveling on HAB Business or when HAB related business is discussed during the meal. Business meals are subject to daily allowance limits established under Section 6 (Meal Allowance) of this policy. The purchase of alcoholic beverages is permitted as part of business meals.
- G. Entertainment refers to a meal or beverage consumed with a guest(s) or a group of staff for a valid business purpose. Entertainment does not count toward the daily allowance established under Section 6 (Meal Allowance) of this policy. Alcoholic beverages are permitted as part of entertainment.
- H. Group meals refers to a meal consumed at HAB hosted events to which all members and staff are invited. Group meals do not count toward the daily allowance established under

Section 6 (Meal Allowance) of this policy. Alcoholic beverages are permitted as part of group meals.

### **3. Pre-Approvals for Travel**

- A. Pre-approval should be done via e-mail to the appropriate person for approval. The pre-approval should include the business purpose, expense, justification, comparatives, or reasoning if appropriate.
- B. All staff travel, except for travel included in annual plans and budgets adopted by the Board, must be pre-approved by the staff member's immediate supervisor, Executive Director, or an Officer of the Board.
- C. The Executive Director will obtain pre-approval for travel from the Chairperson. If the Chairperson is not available another Officer may review and approve the travel.
- D. All Member travel, except for approved meetings, must be pre-approved by the Board Treasurer. If the Board Treasurer is unavailable, another Officer may review and approve the travel.
- E. Board Treasurer, the Treasurer will obtain Pre-approval from the Chairperson or another Officer.

### **4. Transportation**

#### **A. Personal Vehicle**

- I. Members and Staff who utilize personal vehicles for business purposes are required to have a valid driver's license. Mileage will be reimbursed at the current allowable IRS rate. When a personal vehicle is used for Board business, it must carry the minimum insurance coverage required by law for bodily injury and property damage. Staff using their own personal vehicles for business shall be reimbursed for their actual miles traveled above and beyond their normal commute only. Members and Staff are responsible for all parking fines and moving violation tickets.

#### **B. Rental Vehicle**

- I. In general, an intermediate or smaller car is the car type within policy; however, the size and type of the rental car should be appropriate for the number of people in the car and the road conditions on which it will be used. In-car navigation systems and electronic toll payment options for rental cars are considered reimbursable. All other convenience options, e.g. satellite radio, are considered non-reimbursable.
- 2. When renting cars in the US, it is not necessary to purchase rental car insurance as the HAB maintains rental car coverage. When renting a car internationally, it is necessary to purchase insurance at the time of the rental. To maximize cost savings, Members and Staff

should refuel rental cars prior to returning. Gasoline for rental car use will be reimbursed as long as gasoline for the car rental is purchased under a self-service option. Rental car “pre-pay” options will not be reimbursed.

C. Local Transportation/ Travel

1. The most efficient form of transportation should be used to get to and from hotels, airports and other destinations.
2. Allowable methods of transport include shuttles, cabs, ride share and public transportation. Car service is allowed only if the total cost is comparable to that of a cab/ride share fare.

D. Air Travel

1. All reimbursable air transportation must originate and terminate within the United States. Any air travel originating from outside the United States must be justified and explained with full documentation on the pre-approval request. Hass Avocado Committee members domiciled outside the United States shall be reimbursed for air travel originating and terminating from their domicile outside the United States.
2. In order to optimize cost savings for HAB, travel arrangements should be arranged at least seven days in advance for domestic travel and fourteen days in advance for international travel. Flight insurance is encouraged and is a reimbursable expense to cover unforeseen expenses resulting from medical, family emergencies, accidents, and flight cancellations. All Members and Staff are encouraged to search for the lowest available restricted but changeable fare, rather than fully-refundable fare. HAB will reimburse Members and Staff for any justifiable flight changes.
3. All Members and Staff must fly coach for total air travel less than 3 hours within the United States, Mexico, or Canada. For total air travel longer than 3 hours within the United States, Mexico, or Canada, Members and staff are permitted to fly upgraded economy or equivalent, but not business class. For international travel to countries to other than Mexico or Canada, Members and Staff are permitted to fly business class for on trips exceeding six hours. First class air travel is not reimbursable. Personal miles or points may be used to upgrade to a higher-class service, or the traveler may opt to pay personally for an upgrade.
4. Airline receipts from the carrier shall be included with the expense report form. Travel agent receipts submitted must be accompanied by the airline receipt and include the E-ticket number and record locator for the flights in order for HAB to verify records. Travel Agent Invoices submitted without proper back-up will not suffice and may delay reimbursement.
5. HAB will reimburse airline baggage fees for up to 1 standard checked bag. Pre- approval to check additional bags at HAB expense with written justification may be approved.

6. HAB will reimburse airline fees associated with seat selection at time of check-in, priority boarding and on air Wi-Fi costs during flight.
7. When Members are attending other HAPRI association meetings during the same period as HAB events/functions, HAB will reimburse 50% of the air travel related expenses.

## **5. Lodging**

- A. In cities where the HAB has contracted with a specific hotel, Members and Staff will book a room at the contracted hotel. In cities where there is more than one contracted hotel, the Members and staff may choose among contracted hotels. When travel schedules require early hotel check in and additional hotel charges are incurred, the additional charges are considered reimbursable.
- B. In cities where HAB does not have a contracted hotel, or all contracted hotels are sold out, the lodging selected must not exceed the maximum nightly rates (before taxes and fees) listed below:
  - \$450 metropolitan areas including New York City, Los Angeles, Washington D.C. and International locations.
  - \$350 All other U.S. locations.
- C. At times, when demand is high and hotels are sold out, the hotel rooms still available are priced higher than the HAB's stated maximum rate. In this case, Members and Staff will book the most reasonable option and retain a record of why the maximum rate was exceeded and submit for pre-approval. If a Member or Staff must cancel a hotel reservation, they should do so through the site/method through which the reservation was originally booked. Members should plan early to avoid cancellation fees. A "no-show" charge is not reimbursable unless it results from unavoidable circumstance.
- D. In certain circumstances it may be desirable and cost efficient to use alternate forms of lodging such as Airbnb, VRBO, rentals and others. These alternate accommodations may be used when the total cost of the stay (including booking and cleaning fees but excluding taxes and other fees) is comparable to the nightly rates published above for the same number of nights.
- E. Exclusions -- certain research and promotional HAB hosted events (for example ANSA meetings, media and influencer events) may not fall under the nightly rate limit stated under item 2. In such cases the total lodging cost will be covered in the board approved budget and business plan.

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exceeding the \$150.00 daily maximum. Itemized receipts are required to support all meal expenses, including meals charged to the hotel room.

- B. When a member or staff attends a HAB hosted group meal, the meal will count against the daily allowance. The deductions from the daily allowance are as follows: If the group meal is breakfast, deduct 25% from the daily allowance, if the group meal is lunch, deduct 25% from the daily allowance and if the group meal is dinner deduct 50% from the daily allowance.

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  - Business purpose - In the case of Board functions, an invitation to Board functions will suffice.
  - Place where the expense took place.
  - Date of expense.
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- E. If the traveler is a Member, the expense report form must be approved by the Board Treasurer first. If the Board Treasurer is unavailable, another Officer may review and approve the form.

## **11. Exclusions**

The following expenses are not reimbursable:

- A. In-room mini-bar alcohol purchases.
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- C. Traffic and/or parking violation fines, towing charges, legal fees, or other payments resulting from illegal actions.
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- G. Laundry service unless the trip is longer than five days.
- H. Lunches and dinners without a primary business purpose. The fact that lunchtime or dinnertime is a convenient time to meet does not convert a personal expense to a business expense.
- I. First-class fare.
- J. Tips in excess of 20%.
- K. Travel accident insurance premiums.

## **12. Covid Stay Exclusion**

- A. The following guidance is for members and staff members who believe they have been in contact with a person with COVID while traveling on authorized board business or have tested positive for COVID while traveling on authorized board business.

If the member or staff person cannot travel home due to COVID exposure or infection and needs to extend their stay while traveling on authorized board business, HAB will reimburse members and staff for their hotel, travel, and meal expenses for a period of up to 10 days from the date diagnosis was received from a valid test or date of exposure. Expenses must be submitted in accordance with the Hass Avocado Board Travel Policy. HAB will also reimburse any airline ticket change fees incurred because of the extended stay period.

To qualify for reimbursement for a COVID STAY EXCLUSION, the member or staff person must document their exposure to COVID including the date, place, and time of the exposure and how they were notified of the exposure. A positive COVID test taken by a third-party health professional during the travel period will also be accepted as proof to qualify for a COVID STAY EXCLUSION reimbursement.

The expenses incurred under the COVID STAY EXCLUSION will be reviewed and approved per this policy.