

**CALIFORNIA AVOCADO COMMISSION
FINANCE COMMITTEE MINUTES
JUNE 23, 2022**

A hybrid in-person and web/teleconference meeting of the Finance Committee of the California Avocado Commission (CAC) was held on Thursday, June 23, 2022 at 2:30 p.m. with the following people present:

MEMBERS PRESENT

Jason Cole
John Cornell
John Lloyd Butler
Kellen Newhouse
Andrew Prechtl
Robert Grether, CAC Board Chairman

MEMBERS ABSENT

None

STAFF PRESENT

Monica Arnett
April Aymami
Jan DeLyser
Ken Melban

GUESTS PRESENT

Vicki Carpenter, USDA
Staci Buss
Marji Morrow

Item #1: CALL TO ORDER

Finance Committee Chairman Jason Cole called the meeting to order at 2:32 p.m. with a quorum present.

Item #2: PUBLIC COMMENT

None

Item #3: MINUTES

The Committee reviewed the minutes from the May 19, 2022 meeting and the following motion was offered:

MOTION: *The Finance Committee approves the May 19, 2022 Finance Committee Meeting Minutes as presented. (Cornell/Lloyd Butler) MSC Unanimous*
MOTION 22-6-23-1

Item #4A: CASH DISBURSEMENT AUDIT

The Committee reviewed the disbursement register for May 2022 as included in the Finance Committee packet with no significant comments to note.

Item #4B: MERCHANDISE SHOP FINANCIAL REVIEW

Jan DeLyser shared a presentation on the Merchandise Shop program's business plan objectives, directives, and opportunities as approved by the CAC Board in 2020. The fiscal year 2020, 2021, 2022 actual investment and expenses were displayed along with the May 2022 inventory balance and the estimated monthly staff time allocated to the program. Ms. DeLyser then shared the breakeven sales to cost potential along with key

accomplishments and value opportunities of the Merchandise Shop, concluding with a recommendation to continue support activities to optimistically increase sales and continue to leverage the merchandise and influencers as an extension of the overall Marketing campaign.

After discussion, the Committee concluded that monitoring of the Merchandise Shop would continue and its overall strategy and potential would be reviewed when CAC's business plan is presented.

The CAC Merchandise Shop Original E-Commerce Proposal, Financial Comparison, and Recommendation presentation is attached to the permanent copy of these Minutes as identified as Exhibit A.

Item #4C: 2021-22 FINANCIAL UPDATES

The Committee reviewed the 2021-22 Financial Statements as included in the June 23, 2022 Finance Committee Packet. Discussion ensued and the following points were made:

- Monica Arnett highlighted that revenue is continuing to trend higher than originally budgeted due to higher than anticipated pricing. CAC originally budgeted \$1.25 per pound and the season to date average through April is \$1.62 per pound.
- Ms. Arnett reminded the Committee that the results of the CAC grower and handler mid-season crop survey indicated an updated volume estimate of 286 MM pounds, which is 14 million pounds lower than management's original estimate. Even with this reduction, ending reserves would only decrease by \$400k instead of the \$1.8 million originally anticipated.

The 2021-22 Financial Update Packet is attached to the permanent copy of these Minutes as identified as Exhibit B.

Item #4D: 2022-23 PRELIMINARY CROP AND BUDGET DISCUSSION

The Committee discussed and reviewed various crop volume, price, and budget scenarios for the 2022-23 fiscal year. The Committee also discussed how the overall annual budget strategy and process is conducted by CAC management and how it could be more effectively and intentionally accomplished.

ADJOURN

Chairman Cole adjourned the meeting at 4:30 p.m.

Respectfully submitted,

Monica Arnett, Vice President of Finance & Administration

EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES

- EXHIBIT A CAC Merchandise Shop Original E-Commerce Proposal, Financial Comparison, and Recommendation presentation
- EXHIBIT B 2021-22 Financial Update Packet
- EXHIBIT C June 23, 2022 Finance Committee 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

Meeting Name: <i>California Avocado Commission Finance Committee Meeting</i>	Meeting Location: <i>Hybrid Meeting</i> <i>Physical Location:</i> <i>705 E Main Street, Suite A</i> <i>Santa Paula, CA 93060</i>	Meeting Date: <i>June 23, 2022</i>
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Attendees Who Voted	<u>MOTION</u> <u>22-6-23-1</u>
Jason Cole	Yea
John Cornell	Yea
John Lloyd-Butler	Yea
Kellen Newhouse	Yea
Andrew Prechtl	Yea
Outcome	Unanimous