

PENNSYLVANIA APPLE PROGRAM BOARD MEETING
Minutes of the November 7, 2023 Board Meeting

Public notice of the November 7, 2023 Pennsylvania Apple Program Board Meeting was given as stipulated by the Sunshine Law.

CALL TO ORDER

David Peters, Chairman, called the meeting to order at 9:02 a.m. Board members in attendance in addition to Chairman Peters included Ellie Vranich, Treasurer; Mark Boyer; Benjamin Keim; Carolyn McQuiston.

Also present: Patrick Andrews, Chief of Marketing Development, PDA; Holly Zarefoss, Administrative Assistant for Commodities; Adam Morris, Esquire; Jenny Groff, Clerical Assistant; Ashley Fehr, Director of Agricultural Marketing and Business and Development.

Lindsay Young, McKonly and Asbury; Kristen Markley, Organic Initiative Manager; Faith Dowling; Gwyn Rowland, Bureau of Market Development; Cheryl Cook, Deputy Secretary for Strategic Initiatives and Market Development, Pennsylvania Department of Agriculture; Caryn Long Earl, Director, Bureau of Food Assistance, Pennsylvania Department of Agriculture.

APPROVAL OF MINUTES

RESOLUTION 2023.14-MINUTES

Presented by: Mark Boyer

Seconded by: Ellie Vranich

To approve the 7/5/2023 and 9/7/2023 Meeting Minutes.

FINANCIAL REPORT

Lindsay Young, McKonly and Asbury, referred members to the Balance Sheet as of September 30, 2023; Profit and Loss Budget vs. Actual July through September 2023; and Profit and Loss July through September 2023 for further discussion.

RESOLUTION 2023.15-APPROVAL OF FINANCIAL REPORT

Presented by: Ellie Vranich

Seconded by: Carolyn McQuiston

To approve the Financial Report as presented.

ASSESSMENT REPORT

Jenny Groff, Clerical Assistant, Commodities and County Fairs, Pennsylvania Department of Agriculture, referred members to the Apple Assessment Report as of 11/31/2023. She noted totals paid on 2020, 2021 and 2022 assessments as of 6/27/2023. Ms. Young noted that assessment income presented on the report does tie into what is presented in QuickBooks for years 2020, 2021 and 2022. There was further discussion.

Mr. Andrews commented that with regard to the apple count it will be interesting to see where 2022 and 2023 numbers will land. There was discussion regarding reported sales from producers, sales agents and auction houses for 2021. There would be further conversation with regard to data collection.

RESOLUTION 2023.16-APPROVAL OF ASSESSMENT REPORT

Presented by: Mark Boyer

Seconded by: Benjamin Keim

To approve the Assessment Report as presented.

(WHEREUPON A PAUSE IN THE MEETING WAS HELD.)

APPROVAL OF US APPLE INVOICE

Members were asked to review the US Apple invoice included in the agenda in the amount of \$102,086 for which \$105,000 was budgeted. Members agreed to approve payment. Ms. Young noted that once the invoice is approved remittance would be made thereafter.

REVIEW OF AUP REPORT

Ms. Young referred members to the Agreed Upon Procedures Report, which included confirming the tracking, maintaining, copying and processing items are conducted by McKonly and Asbury. She reviewed the procedures of Garcia, Garman and Shea surrounding the bank reconciliation through the fiscal year ending June 30. Transactions are traced back to QuickBooks. Ms. Young noted no issues regarding this matter.

She noted GG&S also check cash disbursements to indicate a match with the underlying invoice and all supporting documents and signatures are present, which is traced back to the general ledger inside QuickBooks. There were no issues or recommendations regarding the cash disbursement procedure. Ms. Young indicated one discrepancy was found with regard to an incorrect date on a deposit slip, and she would investigate that matter further.

GG&S evaluated internal controls and recommended that ways be explored to endorse checks at the time of receipt and also to reduce time between receipt of checks and depositing them at the bank.

Mr. Andrews explained that checks are good for six months, that mail received at the Department does not come directly to the Board but first to DGS and then distributed to the various agencies. He further explained that after mail is received and sorted through, it moves on to Ms. Groff for logging in a transmittal, after which a representative from McKonly and Asbury will pick up the checks twice a month. McKonly and Asbury will log the checks into QuickBooks, and then the checks are deposited. He and Ms. Young offered further explanation. Ms. Groff noted the checks are picked up once a month, but it could be increased to two if necessary. She offered an additional explanation of a deposit.

Mr. Andrews opined the ACH option will go live sometime between July of 2024 and January of 2025. He explained it goes through a warranty period of more extensive testing, followed by marketing, putting together a user's guide and conducting at least one webinar. He noted separate launch dates for each board, most likely starting with the Wine Board.

RESOLUTION 2023.17-APPROVAL OF AUP REPORT

Presented by: Ellie Vranich

Seconded by: Mark Boyer

To approve the AUP Report as presented.

ELECTION OF OFFICERS

RESOLUTION 2023.18-NOMINATION OF DAVID PETERS FOR CHAIR

Presented by: Mark Boyer

Seconded by: Benjamin Keim

To approve David Peters as Chair.

RESOLUTION 2023.19-NOMINATION OF BENJAMIN KEIM FOR VICE CHAIR

Presented by: Carolyn McQuiston

Seconded by: Ellie Vranich

To approve Benjamin Keim as Vice Chair.

RESOLUTION 2023.20-RETENTION OF ELLIE VRANICH AS TREASURER

Members voted unanimously to retain Ellie Vranich as Treasurer.

APPLE SURPLUS UPDATE

Cheryl Cook, Deputy Secretary for Strategic Initiatives and Market Development, reported that Operation Applesauce was in "full swing," and letters went out to all on the Board's mailing list offering the chance to participate in a \$3 million purchase of apples and a partnership with Feeding Pennsylvania and NASS Foods. She indicated that NASS has agreed to process apples into applesauce and apple juice for distribution to the Charitable Food System and to Pennsylvania schools. Pennsylvania Agricultural Surplus System (PASS) will get product into the Charitable Food Network and the Local Foods for Schools Program will help get product into schools.

Deputy Secretary noted feedback has been received from the growers and believes there will be the opportunity to use the entire \$3 million available for this purpose. She noted being in search of cold storage within reasonable proximity to NASS Foods and asked that anyone who knows of available cold storage to contact Mr. Andrews.

There was a comment on transportation, that there are many unknowns that make it difficult for growers to gauge whether or not to participate. Deputy Secretary Cook indicated it would soon become clearer when there is a number of growers that want to participate. There was discussion regarding how the storage would be handled, whether the growers would be responsible.

Ashley Fehr, Director of Agricultural Marketing and Business and Development, noted working closely with USDA on buying opportunities and would provide additional information to the Board.

Caryn Long Earl, Director, Bureau of Food Assistance, added that USDA is close to making a decision about doing a bonus apple buy. Information regarding how to become registered as a vendor with USDA to sell products would be provided.

There was a suggestion about getting the Department of Defense as registered vendors.

Deputy Secretary Cook asked anyone to contact her with other questions.

Deputy Secretary Cook summarized by stating after growers indicate what they have and how much, that by next week NASS would be contacted to work out a start time based on their own production schedule. There was further discussion.

2024 MEETING DATES

Ms. Zarefoss noted that the Mid-Atlantic date had already been set for Hershey. The Board discussed the 2024 meeting dates and agreed on July 10, 2024 and November 5, 2024.

NEW ITEMS

Mr. Andrews inquired whether all Board members have historically done business with NASS and what the prognosis is for their business. Mr. Peters is on committees there, and he noted that corrections and improvements were being made. This year's impact has out-of-state processors struggling as well. There was further discussion regarding capital improvements needed to modernize the grower processing infrastructure, noting what worked economically in the '50s and '60s does not work now in 2023. Upcoming issues with regard to the H-2A workers' right to unionize and the Farm Bill, which will have an impact, and noted. These types of concerns need to be reviewed by the Governor's Office in a timely manner.

ADJOURNMENT

RESOLUTION 2023.21-ADJOURNMENT

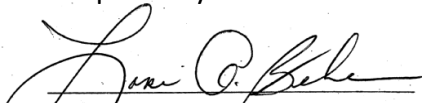
Presented by: Benjamin Keim

Seconded by: Ellie Vranich

To adjourn the meeting.

There being no further business, the meeting was adjourned at 10:39 a.m.

Respectfully Submitted:



Lori A. Behe

November 7, 2023