

PENNSYLVANIA APPLE PROGRAM BOARD MEETING
Minutes of the January 28, 2020 Board Meeting
Hershey Lodge and Convention Center
325 University Drive
Cocoa Suite #6
Hershey, PA 17033

Public notice of the January 28, 2020 Pennsylvania Apple Program Board Meeting was given on January 7, 2020, as stipulated by the Sunshine Law.

CALL TO ORDER

David Peters, Chairman, called the meeting to order at 8:22 a.m. Board members in attendance included Gary Faulkner, Vice Chair; Mark Boyer; Carolyn McQuiston; Thomas Haas; and Ellie Vranich, Treasurer.

Patrick Andrews, Board Liaison to the Department of Agriculture; Lindsay Young, Senior Manager, McKonly and Asbury; Char Riley, Administrative Assistant; Laura England, Secretary of Agriculture Representative; and Nathanael Brague, Executive Policy Specialist, were also present.

APPROVAL OF MEETING MINUTES

RESOLUTION 2020.01-APPROVAL OF MINUTES

Presented by: David Peters

Seconded by: Mark Boyer

Passed: Unanimously

To approve the November 13, 2019 meeting minutes.

REVIEW FINANCIALS

Lindsay Young, Senior Manager, McKonly and Asbury, presented before the Board. She referred to financial information in the packet for further discussion of the Apple Assessment Report as of 1/16/2020. She noted total paid on assessments for 2017, 2018 and 2019. Ms. Young further noted that delinquent accounts had gone through the legal process.

Ms. Young discussed the Balance Sheet as of December 31, 2019, as well as the Profit and Loss Budget to Actual Sheet for statistics regarding income and expenses.

Mr. Andrews commented on problems with collections. He explained that auctions often do not have computerized records and are not prepared to turn over records. He noted some leverage in ACMA where the sales agents can be fined up to \$500 for not providing the information. The sales agents were being sent letters to be advised of this information. Mr. Andrews stated the reports were now coming in, including one from Walmart. There was discussion regarding the differences in figures between Ms. Young's and those of Ms. Zarefoss.

Ms. Young discussed the July through December 2019 Profit and Loss Statement. She referred members to the General Invoice information provided in the packet.

RESOLUTION 2020.02-APPROVAL OF FINANCIAL REPORT

Presented by: Carolyn McQuiston

Seconded by: Ellie Vranich

Passed: Unanimously

To approve the financial report provided by Ms. Young.

There was discussion regarding placing a sum of money into a money market account.

RESOLUTION 2020.03-TO MOVE \$250,000 INTO AN MMA

Presented by: Carolyn McQuiston

Seconded by: Gary Faulkner

Passed: Unanimously

To move \$250,000 into a money market account bearing an interest rate of 1 percent.

ASSESSMENTS/AUDITS

Mr. Andrews reviewed the assessment process verification. He the noted spreadsheets provide information with regard to each grower for fresh and processed apples along with the total payments. He referred to it as a simple calculation through a spreadsheet based on the current assessment rates. There was further discussion regarding sales agent information.

Mr. Andrews will mail the results to Board members following a meeting with Ms. Young on January 30, 2020, at 3:00 p.m.

SHAP FUNDING DISCUSSION

There was discussion regarding the research projects. It was noted, if an applicant receives 50 percent or more of the votes, the applicants are asked to present their project to the Board. It was noted the research committee would soon be meeting.

Information outlining the importance of research and where research money comes from was referenced. Mr. Andrews referred to the powers and duties of a program board for further discussion.

RESOLUTION 2020.04-TO APPROVE \$75,000 FOR RESEARCH

Presented by: Carolyn McQuiston

Seconded by: Ellie Vranich

Passed: Unanimously

To approve \$75,000 for research projects.

FARM WORKERS MODERNIZATION ACT

Natalie Krak, Policy Director, and Nathanael Brague, Deputy Policy Director, Pennsylvania Department of Agriculture, presented before the Board for discussion of the Farm Workers' Modernization Act, HR 4916. Mr. Brague noted there had been no movement on this Act, and there probably would not be any resolution on the FWMA for the next few months as long as the impeachment trial was underway.

Mr. Brague commented that some parts of the bill should be amended, and he was reaching out to Senators Casey and Toomey regarding possible solutions. The Board noted a concern for the definition of prevailing wage and H-2A wages. Additional information regarding the survey was requested.

FIELD WATCH

It was noted that Emily Weaver and Jon Johnson could not be present at this meeting. Ms. England referred Board members to Field Watch information for further discussion. Field Watch is a nonprofit company that promotes communication between producers of specialty and row crops, beekeepers and pesticide applicators. Board members were also referred to information regarding the Standards and Requirements for the Agricultural Business Development Center Farm Vitality Planning Grant Program. Morgan Sheffield's contact information was provided should anyone have questions. There was further discussion regarding the grant program.

CROP FUNDING/ANNUAL REPORT LETTER

Mr. Haas commented on the smaller than expected crop, which would affect the program. Mr. Boyer stated moving forward the Board would need to provide conservative estimates. He noted that 50 percent of apples sold in the grocery stores are Gala and Honey Crisp. There was a general discussion regarding different kinds of apples, including organic apples. Mr. Boyer commented on a point made at the recent U.S. Apple Meeting regarding the Red Delicious being the number one apple in the world, that there was "still too much and not enough homes for it" due to the shrinking global market.

Ms. Riley commented that Pennsylvania was now listed on the U.S. Apple's website with a link to the commodity page for Agriculture.

NEW ITEMS

Mr. Andrews referred Board members to the Procurement Procedures for Auditing Services for further discussion of the ACMA Board procurement procedures. He stated it is an accounting tool referred to as an agreed upon procedure that provides a surface look into the auditing process. Mr. Andrews requested the Board members to review this information and requested a motion for approval.

RESOLUTION 2020.05-TO ADOPT PROCUREMENT PROCEDURES

Presented by: Mark Moyer

Seconded by: Gary Faulkner

Passed: Unanimously

To approve procurement procedures for auditing services and then soliciting services with Garcia, Garman and Shea, P.C. regarding the matter.

Ms. Vranich requested approval from the Board to bill up to \$5,000 for Farm Show expenses.

RESOLUTION 2020.06-TO APPROVE \$5,000 BUDGET FOR FARM SHOW EXPENSES

Presented by: Carolyn McQuiston

Seconded by: Ellie Vranich

Passed: Unanimously

To approve issuance of an invoice for up to \$5,000 for Farm Show expenses.

ADJOURNMENT

RESOLUTION 2020.07-ADJOURNMENT

Presented by: Thomas Haas

Seconded by: Gary Faulkner

Passed: Unanimously

To adjourn the meeting.

There being no further business, the meeting was adjourned at 10:19 a.m.

The next meeting is scheduled for July 7, 2020.

Respectfully Submitted:

A handwritten signature in cursive script, reading "Sarah LaMaster", is written over a horizontal line.

Sarah LaMaster

January 28, 2020