

CHRISTMAS TREE PROMOTION BOARD

Board Meeting

March 17, 2022

Via Video Conference

Welcome and Roll Call: The meeting was called to order at 11:01 a.m. Eastern time by Chairman, Roger Beyer.

Board Members in Attendance: Derek Ahl, Gary Westlake, Charles Fowler, Renee Beutell, Chuck Berry, Bob Schaefer, Roger Beyer, Bill Brawley, Mike Cocco, Jane Neubauer, and Larry Downey

Board Members not in Attendance: Mark Schmidlin

USDA Representative(s) in Attendance: Sue Coleman

Staff in Attendance: Marsha Gray and Jenny Tomaszewski

Guest(s) in Attendance: Kurt Gerner

Agenda:

It was **MOVED** by Bob Schaefer and **SECONDED** by Charles Fowler to approve the Agenda as presented.

MOTION APPROVED.

Meeting Minutes:

Typos mentioned for correction: bottom first page “accept” should be corrected. Under research report, Justin “Whitehill,” not Whitehall, and Renee Campbell’s name modification to Buetell. It was **MOVED** by Chuck Berry and **SECONDED** by Bob Schaefer to approve February 9-10, 2022, Board meeting minutes as corrected.

MOTION APPROVED.

Committee Reports

Finance – Bob Schaefer reported

- a. February 2022 Financials – Schaefer provided a brief overview of the February 2022 financials - pointing out that a couple of items were over budget but by nothing significant.
 - Roger Beyer inquired about the Board meeting line item. With summer in-person meeting occurring in June, will a budget amendment be needed? Marsha Gray agreed that a budget amendment would be necessary if expenses from the June meeting are paid before July 31. Bob Schaefer and Marsha Gray will discuss.
- b. 2022-23 Budget Process – Marsha Gray and Bob Schaefer will begin the budget process shortly – they will be reviewing current year's income and expenses and develop a suggested budget. Roger Beyer shared that the budget must be presented to USDA by April 15th, and a special meeting will need to be scheduled before April 15th for Board approval.

It was **MOVED** by Gary Westlake and **SECONDED** by Charles Fowler to accept the February 2022 financials as presented. **MOTION APPROVED.**

Research – Marsha Gray reported for Mark Schmidlin and Cyndi Knudson

- a. Research Topic Survey – Research topic survey has been developed and announced to the industry. The survey seeks grower input on research topics. The survey is now on Survey Monkey, and a physical copy is available on the website. Cyndi Knudson and the committee desire to determine the topics important to producers.
- b. RFP process early May – Request for proposals will go out early May.
 - Gary Westlake asked how long the Survey Monkey link would be available? Marsha Gray will reach out to Cyndi Knudson to see the options for the survey's length and cost.

Industry Relations – Gary Westlake reported

- a. The Industry Relations committee will be meeting Thursday, March 24th.
- b. Winter / Summer State Meetings – Marsha Gray shared that she attended many winter association meetings. Gray shared that she received great feedback on this year's influencers. Gray hopes to participate in many summer state association meetings and has reached out for their schedules.
- Bob Schaefer mentioned that he would like to provide an update on NCTA. It was suggested that the report wait until For The Good of the Order/Announcements. Roger Beyer requested that Bob Schaefer set up a meeting between the two of them and the new chairman of NCTA.

Governance – Charles Fowler reported

- The committee is in the process of setting up a meeting with USDA regarding proposed wording changes to the Order – hoping to schedule that soon. Marsha Gray shared that the committee can confirm that CTPB's attorney did review the recommendations from the committee and the Board and signed off that most of our requests were good. There are a few topic areas that will require USDA input.

Compliance – Derek Ahl reported

- Ahl shared that compliance contractor are moving forward.
- Marsha Gray shared that nine farms have been selected for audit and have received written notification. Auditor, Jim Lantz, is scheduling their audits, which will take place over the next couple of months.

Promotion:

Chairman, Roger Beyer, called the Board into an Executive Session at 11:28 a.m. Eastern time. The purpose of the closed session is to discuss marketing strategy.

Chairman, Roger Beyer, adjourned the Executive Session at 1:22 p.m. Eastern time. The marketing strategy will be addressed at a future Board meeting.

Management Staff Update – Marsha Gray reported

- a. Assessment Collection – A brief overview of the assessment collection report was provided. As of March 16th, a total of \$1,622,933 has been received.
- Gray shared that the next step will be asking CTPB's Industry Affairs Liaison to contact growers who haven't reported or paid their 2021 assessments.
- A question was raised regarding the Canadian growers (Importers of Record) who are not in compliance. Could a Canadian company be hired to investigate? Gray shared that if USDA does move forward with the collections at the border, that should alleviate Canadian grower compliance concerns. It is up to the Board's discretion if they would like to proceed with a compliance project in Canada. Gray will provide a report with an estimate of assessments missed from Importers or Record.

Old Business:

- a. CTPB Board Member Terms – Marsha Gray shared that when USDA set the Board, board member terms were set in groups of 3 board members, 3 board members and 6 board members, rather than 4 in each term. This creates a situation where there could be 6 new board members named in one year, representing half of the Board.
- Marsha Gray and Sue Coleman presented the different ways in which reappointments could be rectified. Attached is the CTPB term of office option recommended by Coleman and Gray. The correction would be best handled next year, 2023. Gray shared one critical flaw that USDA and

the Secretary could potentially address - would there be an opportunity for those with the two shortened terms to be considered for three consecutive terms. Coleman shared that the Secretary can appoint a three-year term. She also noted that this is a corrective activity, and there is no change in the Order. However, whatever the decision, the Board all needs to be in agreement.

New Business – no new items to report.

USDA – Sue Coleman reported

- a. Update on US Customs collections of importer assessments – Coleman shared they have begun the paperwork for the American Pecan Promotion Board to have their collection done at the border. Initially, USDA indicated there would be an additional 15%, appears they are staying on track at this point. The CTPB's offer of the \$70,000 to be included in this effort will be presented next week at the American Pecan Promotion Board meeting. There is no timeline. Coleman will continue to keep the Board updated.
 - b. Secretary of Agriculture met on February 28th with all 22 Research and Promotion programs regarding diversity. Gray shared that the Secretary emphasized his desire for diversity within the Research and Promotion programs. Coleman shared the new AMS diversity policy, which was read to the Board.
- Board members discussed diversity within the Christmas Tree Board and Christmas tree growers.

For the Good of the Order /Announcements:

- Derek Ahl shared that he is a big advocate for listening to the professionals that CTPB contract with and hopes no one took offense to his comments.
- Kurt Gerner shared that he wasn't too clear on the audit process and requested how that process works. Marsha Gray provided an overview of the process for Mr. Gerner. Roger Beyer shared that the Board has permitted the Executive Director, Marsha Gray, to use her judgment in selection of audit recipients based on the desire of the Board to encourage accurate reporting by producers and importers. Gerner voiced his concerns over this process. Sue Coleman shared that she will be working with Marsha Gray to create a compliance policy to present to the Board.
- Kurt Gerner asked about the Order's status regarding the edits, legal review, and an anticipated public review. Marsha Gray shared the Governance Committee is scheduling a meeting with USDA to work on the language and legal issues. Sue Coleman shared the Order's processes and how individuals will know the Order is open for public review.
- Bob Schaefer shared the 2021 NCTA survey results have been released to the NCTA Board members -Schaefer shared some concerns regarding the results. Board discussed if there is a better survey format the industry could consider for better data.
- Bob Schaefer suggested reviewing the audit process at a future board meeting.

Meeting Schedule:

- a. A special meeting of the CTPB will be held on Thursday, April 7th, at 11:00 a.m. to approve the 2022-23 budget.
 - b. The next Board meeting will be held on Thursday, April 21, 2022, at 11:00 a.m.
 - c. The next in-person Board meeting of the CTPB will be held on June 24, 2022, in Burlington, VT, in conjunction with the Vermont/New Hampshire Christmas Tree Association Summer meeting.
- Larry Downey shared the New Hampshire/Vermont Christmas Tree Association, Canadian Christmas Tree Association, Exotic Christmas Tree Association, and the Quebec Christmas Tree Association will attend a meeting in Quebec on September 24, 2022, at Larry Downey's farm.

Adjourn:

It was **MOVED** by Gary Westlake and **SECONDED** by Mike Cocco to adjourn the meeting. **MOTION**

APPROVED.

Chairman Roger Beyer adjourned the meeting at 2:23 p.m. Eastern time.

Respectfully Submitted,

Gary Westlake
Secretary