

Texas Pecan Board

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Texas Pecan Board (TPB) Meeting Minutes

Tuesday, October 17, 2023, 2:00 P.M. CST

Virtual or 4348 Carter Creek Pkwy Suite 101, Bryan, TX 77802

TPB Members Present: Troy Swift, Rodney Myers, Dennis Hardman, Zachary Swick, Jake Montz, Joe Massey

Guests: Blair Krebs, Meghan Mabry, Catherine Clark, Kelsey Wallis (TPGA), Patrick Dudley (TDA)

Texas Pecan Board (TPB) President Troy Swift called the meeting to order at 2:01 P.M. CST. He called the board roll call, establishing a quorum, and asked guests to introduce themselves.

The board members reviewed the meeting minutes from the July 30, 2023 meeting. Joe Massey made the motion to approve the minutes. Jake Montz second the motion, all voted in favor, and the meeting minutes were approved.

Patrick Dudley from the Texas Department of Agriculture (TDA) then gave an update from the department on the work involving weevil, including research and compliance agreements.

Blair Krebs with the Texas Pecan Growers Association (TPGA) and contractor for TPB gave an update on the activities and finances for the organization. She gave updates on the administrative, grant, and infrastructure work the team had been handling. Krebs also presented the year-end financials for the organization.

The board then moved on to a discussion and possible action on the TPB budget for 2023-2024. Blair Krebs put together a budget and presented it to the board. Jake Montz moved to approve the budget. Zachary Swick seconded the motion, all voted in favor, and the budget was approved. Krebs will submit the budget to TDA in accordance with the rules.

The board then discussed possible action on additional counties to include in studies of pecan weevil, such as the actions taken in Pecos County, which was funded by a specialty crop block grant. The working group suggested possible counties and procedures in an effort to research locations for testing if weevil is present. The board discussed many counties and options, but agreed to figure out the costs associated with the project and prepare to have the information ready for a possible 2024 grant application for the new entomologist position at Texas AgriLife. Troy Swift made the motion to identify counties to study for the presence or absence of weevil between 2023 to 2026, then apply for a specialty crop block grant which would be assigned to a qualified person to implement. Jake Montz seconded the motion, all voted in favor, motion passed.

The board then discussed the possibility of providing further funding to support pecan weevil research currently being done with the USDA-ARS. Troy Swift made the motion to amend the budget to add \$15,000 of Texas Pecan Board money, derived from assessments, to fund the USDA-ARS weevil research. Also, to allow staff to update the budget to reflect the change before submitting the budget to TDA. Jake Montz seconded the motion, all voted in favor, and the motion passed.

The board also spoke about what they were looking for in continued research in regards to weevil and other pests. Zachary Swick made the motion to initiate a new conversation with the USDA-ARS entomology team about stink bug research. Joe Massey seconded the motion, all voted in favor, and the motion passed.

Discussion moved to TPB's compliance and audit expectations and procedures. The working group assigned at a previous meeting created an audit procedure for handling assessments. The board decided to start with two to three companies to audit. Board member Jake Montz volunteered to help work through the procedure with TDA in his business to determine if any modifications needed to be made to the procedure. Montz then made the motion to start collaborating with TDA to start working on the auditing procedures proposed for the Texas Pecan Board. Zachary Swick seconded the motion, all voted in favor, and the motion passed. The approved procedure is included in these minutes.

Troy Swift and Blair Krebs outlined the non-compliance correspondence procedure they had developed after speaking with TDA. Joe Massey made the motion to proceed with the protocol for non-compliance correspondence that has been outlined. Jake Montz seconded the motion, all voted in favor, and the motion passed. The procedure has been included in these minutes.

Blair Krebs then presented an idea for a marketing project to apply for with a specialty crop block grant. She showed the work done by other groups and the possibilities in promoting Texas pecans. Troy Swift made the motion to have the staff apply for a specialty crop block grant this year to market Texas pecans. Joe Massey seconded the vote, all voted in favor, and the motion was approved. Contracted staff will begin working on the grant application and consult with the grant working group with any questions.

The next topic was planning the next TPB meeting. The board decided to continue to again coincide their meeting with TPGA board meetings. TPGA is planning to have their spring meeting in College Station, as usual, to meet with research and extension personnel. TPB will do the same, and host their meeting in the afternoon and TPGA's will host their meeting the following morning.

With no further business, Zachary Swick made the motion to adjourn the meeting, Jake Montz seconded the motion, all voted in favor, and the meeting was adjourned about 3:45 P.M. CST.

Respectfully submitted,

Blair Krebs

Texas Pecan Board Audit Procedure

To effectively audit accumulators and shellers in the pecan industry, follow the recommendations and procedures below:

1. Identification of Top 8-12 Accumulators and Shellers:

- Gather data from previous years' pecan production records.
- Main consideration is volume of pecans handled.

2. Yearly Review and Update:

- Review the list of top accumulators and shellers every year to ensure it remains relevant.
- Consider factors like retirement, new entrants, mergers, and acquisitions that may affect the industry landscape.

3. Audit Rotation:

- Establish a plan to audit 2-3 accumulators every year, rotating through the list every 4 years to cover all major players regularly.

4. Accounting Procedure:

- Develop a standardized accounting procedure that is easy to review and comprehensive to minimize mistakes.
- The procedure should cover all aspects of pecan transactions, including receiving, storing, grading, and payment to growers.

5. Internal Auditing (Short term):

- Ask Patrick Dudley, to directly meet with 2-3 accumulators every year for an in-depth audit.
- Confidentiality will remain as Patrick is TDA.

6. External Auditing (opportunity for medium term):

- Consider external auditing options to add an additional layer of independence and credibility to the audit process.
- Two alternatives for external auditing: i. TPB hires a reputable auditing firm to conduct audits on the selected 2-3 accumulators annually. ii. Explore with the new management at APC the possibility of leveraging external auditors to confirm TPB's assessments.

7. Sharing Results with Growers:

- After each audit, compile the results into a comprehensive report.
- Share the audit results with the pecan growers, providing transparency and building trust within the industry.

8. Continuous Improvement:

- Collect feedback from growers and audited entities to identify areas for improvement in the auditing process.
- Continuously refine the auditing procedures to enhance accuracy and effectiveness.

By following these recommendations and procedures, you can establish a robust system to audit accumulators and shellers in the pecan industry, ensuring fair practices, transparency, and trust among all stakeholders

Texas Pecan Board Compliance Correspondence Procedure

Each step is only taken if the handler continues to not pay or respond to the request.

1st contact

Phone call by TPB President

2nd Contact

Email from TPB email

- Email approved by committee
- Sent by staff, CC Patrick Dudley with TDA
- Email template here:

3rd Contact

Email from TPB email

- Email approved by committee
- Sent by staff, CC Patrick Dudley with TDA
- Email template here:

4th Contact

Official TPB Letter - sent by staff

- Letter approved by committee
- Sent by staff with certified mail
- Letter template here:

5th and Final Contact

Official letter telling them you are referring them to TDA - sent by staff

- Letter approved by committee
- Sent by staff with certified letter
- Letter template here: