

PENNSYLVANIA APPLE PROGRAM BOARD MEETING
Minutes of the MS Teams Virtual July 10, 2024 Board Meeting

Public notice of the July 10, 2024 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 9:04 a.m. Board members in attendance in addition to Chairman Peters included Ellie Vranich, Treasurer; Benjamin Keim, Vice Chairman; Kyle Benner; Carolyn McQuiston, and Maggie Travis.

Mark Boyer was absent.

Also present: Patrick Andrews, Secretary of Agriculture Representative; Holly Zarefoss, Administrative Assistant for Commodities; Jenny Groff, Clerical Assistant; Adam Morris, Esquire.

Lindsay Young, McKonly and Asbury; and Cheryl Cook, Deputy Secretary for Strategic Initiatives and Market Development, were also in attendance.

APPROVAL OF MINUTES

RESOLUTION 2024.08-MINUTES

Presented by: Ellie Vranich

Seconded by: Benjamin Keim

Passed: Unanimously

To approve the 01/30/2024 Meeting Minutes.

Maggie Travis was welcomed as the Board's newest member

FINANCIAL REPORT

Lindsay Young, McKonly and Asbury, referred members for further discussion to the PA Apple Program Balance Sheet through May 31, 2024; and Profit and Loss, July 2023 through May 31, 2024. Total expenditures during this period totaled \$188,073 compared to the budget of \$192,090. The \$44,000 added was due to the additional assessment collection.

Ms. Young referred members to information regarding fiscal year July through May 31st compared to the prior fiscal year. Total assessments collected inside this fiscal year was \$123,741. She noted other comparisons for that year.

Ms. Travis inquired as to the difference between the assessment and the audit. Mr. Andrews responded that the audit checking by the state that the reporting on the producers was accurate. It was noted that a vast majority of that audit money coming in is from people that receive and do not submit the forms until they receive a bill. The apple producers are the most compliant.

RESOLUTION 2024.09-APPROVAL OF FINANCIAL REPORT

Presented by: Benjamin Keim

Seconded by: Carolyn McQuiston

Passed: Unanimously

To approve the Financial Report as presented

ASSESSMENT REPORT

Jenny Groff, Clerical Assistant, Commodities and County Fairs, referred members to the Apple Assessment Report, noting no increase for 2020 in the 142,589.10 amount. For 2021, a slight increase to \$232,093.59. For 2022, an increase in bushels and payments in the amount of \$201,626.12. For 2023, an increase to \$148,676.01 with approximately \$25,000 recently submitted to be added to that number. She explained the assessment reporting process.

RESOLUTION 2024.10-APPROVAL OF ASSESSMENT REPORT

Presented by: Kyle Benner

Seconded by: Maggie Travis

Passed: Unanimously

To approve the Assessment Report as presented.

Mr. Andrews provided an update regarding the electronic assessment reporting or payment system. He noted suggestions from Mr. Peters and Rice and NASS were taken very seriously. The suggestions were taken to Ms. Cook, who was able to obtain additional money to make the changes. He stated there was a contract with Pfizer for the use of ACH payments, rather than credit cards, but the Commonwealth broke ties with Pfizer, which created a lot of uncertainty. IT has connected with Pfizer as commerce hub, and that will be ready late August or early September. Providing Keystone login information would be the first step that would need to be taken when the new system does come online.

Cheryl Cook, Deputy Secretary, Strategic Initiatives and Market Development, exited the meeting at 9:30 a.m. and re-entered later on during the meeting.

Chairman Peters noted the new system is user friendly, and identifying where the apples are going should be mandatory.

BUDGET DISCUSSION

Ms. Young referred to the July through June 2024 Actual, a copy of budget from the prior year and what a potential budget will look like for next year. She noted multiple additional assessments with two audits. Members provided suggestions as to what the Board would like to see for total assessments for 2024 through 2025. Further discussion followed related to apple quality, production and processing, as a very wet spring resulted in a skin russet as the apple was growing and scabby pockets covering the fruit. It was noted that quotas were decreased by five percent, and the second biggest producer in the state will not grow an apple this year.

After discussion, members agreed to lowering the budget assessment number to \$165,00. Ms. Young updated accounting fees, and court reporting, and legal were kept about the same. Annual crop assessment, which was budgeted for \$105,000, would be left at that amount. There was discussion regarding bank fees, postage, contributions for education, and research. Mr. Keim indicated that Penn State would be contributing less money towards graduate students' tuition and housing. He encouraged to roll that cost into their proposals when research projects are submitted. It was noted the Apple Program is dependent on SHAP research projects, and Dr. Shan Kumar, a new extension educator, has projects he would like to move forward. There was further discussion regarding the Penn State funding amount.

Chairman Peters summarized the discussion by noting it has been the apple industry's goal to get consumers to have incremental increases in consumption. Adding \$5,000 to consumer education would get consumers to realize the apple varieties out there. Chairman Peters stated he personally would not like to see the research being reduced at all, and as was done in the past, adjust it once the season and year go along. All should be prepared for it now instead of having "surprises" mid or end of year.

RESOLUTION 2024.11-APPROVAL OF PROPOSED BUDGET

Presented by: Ellie Vranich

Seconded by: Carolyn McQuiston

Passed: Unanimously

To increase consumer education to \$10,000 and apple research to \$80,000, and to reevaluate in January 2025.

ELECTION OF OFFICERS:

Ms. Zarefoss reminded the Board that an official acceptance form is needed for reappointment of Kyle Benner.

Patrick Andrews assumed the Chair

RESOLUTION 2024.12-NOMINATION OF CHAIRMAN

Presented by: Carolyn McQuiston

Seconded by: Ellie Vranich

Passed: Unanimously

To retain David Peters as Chairman

David Peters resumed the Chair

RESOLUTION 2024.13-NOMINATION OF VICE-CHAIRMAN

Presented by: Ellie Vranich

Seconded by: Carolyn McQuiston

Passed: Unanimously

To retain Benjamin Keim as Vice- Chair

RESOLUTION 2024.14-NOMINATION OF TREASURER

Presented by: Benjamin Keim

Seconded by: Maggie Travis

Passed: Unanimously

To retain Ellie Vranich as Treasurer

OTHER BUSINESS

Mr. Andrews indicated the new commodities program manager position was filled by Michael Keefe, who will be starting August 5, 2024 and attend the next meeting. He provided a brief summary of Mr. Keefe's professional and educational background. Mr. Andrews will still participate in the meetings, but not 100 percent eventually. Mr. Keefe's job will be 100 percent commodity-Board focused, meaning more communications to the growers, help to distribute research reports from various programs, and building a research portal for all commodity boards.

Mr. Andrews provided commented the Farm Cider License Bill, HB 874, seems to be moving along, which could provide some stimulus to the cider industry that could potentially impact apple processing.

There was an inquiry regarding a final report as to what the total number of bushels taken in was, the projected amount growers reported, what was spent, and would there be further dialog regarding that matter.

Cheryl Cook, Deputy Secretary for Strategic Initiatives and Market Development, explained this data is still being gathered, and NASS has provided totals. She was not certain if there would be access to that same money next year until the federal budget is resolved. Deputy Secretary reported still having approximately three-years' worth of Number 10 cans of applesauce in storage that will be parceled out to schools in the fall. She noted secretaries for all major apple-producing states have been leaning on USDA to do additional Section 32 buys for apples and apple products. She noted a meeting is scheduled with NASS foods in the next few days.

Deputy Secretary Cook does not have a final number of apples taken in through the program but will provide that information.

It was noted the next referendum will take place April 2027.

Mr. Andrews explained that if the Board wanted to do a referendum to increase assessments, that that would have to happen separately from the referendum.

ADJOURNMENT

RESOLUTION 2024.15-ADJOURNMENT

Presented by: Kyle Benner

Seconded by: Benjamin Keim

Passed: All Unanimously

To adjourn the meeting.

There being no further business, the meeting was adjourned at 10:40 a.m.

Respectfully Submitted:

Haylie Trapp

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July 10, 2024