

**REAL CHRISTMAS TREE BOARD**  
**BOARD MEETING**  
March 23, 2023

Via Video Conference

**Welcome and Roll Call:** The meeting was called to order at 11:00 a.m. Eastern Standard time by Chairman, Derek Ahl.

**Board Members in Attendance:** Chuck Berry, Bob Schaefer, Roger Beyer, Mark Schmidlin, Mike Cocco, Renee Beutell, Derek Ahl, Gary Westlake, Charles Fowler, and Mike Jones

**Board Members Not in Attendance:** Larry Downey, Jane Neubauer

**USDA Representative(s) in Attendance:** George Webster

**Staff in Attendance:** Marsha Gray, Cyndi Knudson, and Jenny Tomaszewski

**Guests in Attendance:** Robin Sexton, Ken Gotten, Matthew Sexton

**Agenda:**

Marsha Gray requested the addition of "B. Grower Audit Plan" under the Compliance Committee report. It was **MOVED** by Mark Schmidlin and **SECONDED** by Charles Fowler to approve the agenda as corrected.

**MOTION APPROVED.**

**Meeting Minutes:**

It was **MOVED** by Chuck Berry and **SECONDED** by Bob Schaefer to approve February 16, 2023, Board meeting minutes as presented. **MOTION APPROVED.**

**Committee Reports**

**Finance Committee** – Bob Schaefer reported.

- a. **February 2023 Financials** - Schaefer provided a brief overview of the February 2023 financials.
- b. **2023-24 Budget Plan** – The Finance Committee will meet in two weeks to assemble a budget for the 2023-24 fiscal year.

It was **MOVED** by Charles Fowler and **SECONDED** by Roger Beyer to accept February 2023 financials as they were presented. **MOTION APPROVED.**

**Research Committee** – Mark Schmidlin reported.

- a. **Seedling Survey** – close to wrapping up - the data is currently being analyzed.
- b. **Upcoming RFP Announcement** – The RFP will be announced at the beginning of May and is being developed and sent to USDA for approval.
- Mark Schmidlin shared two research projects that currently have test plots on his land – plot one, seedling survival topic, will include five to six research ideas on achieving better survival. The second plot is weed research on how to control weeds.

**Industry Relations Committee** – Gary Westlake and Marsha Gray reported.

- Westlake shared that the Industry Relations Committee had not met yet. The Committee requests that those who shared their RCTB Stories at the last meeting submit them in a written version.
- Marsha Gray shared that winter association meetings are winding down, and summer association meetings will begin soon. Gray may be contacting Board members to assist with summer association meetings.

**Governance Committee** – Charles Fowler reported that the Committee had not met yet. The Committee will be working on the next steps in presenting the revised Order to the industry and growers to see their comments. The Committee hopes to have it ready to present by the end of next month. George Webster,

Charles Fowler, and Marsha Gray will be meeting to discuss the Order.

#### **Industry Relations Committee -**

- Renee Beutell revisited the Industry Relations Committee Report to request how the Committee can spread the word about the Real Christmas Tree Board to the growers and the industry. Gary Westlake stated they would discuss this topic at the next Committee meeting. Marsha Gray shared the current publications that regularly feature articles provided by the RCTB. .
- Board members discussed, suggesting different avenues to pursue.

#### **Compliance Committee – Renee Beutell and Marsha Gray Reported**

- Proposal** – Beutell shared that the Compliance Committee has connected with Jason Hanselman to see if he would be interested in pursuing compliance work for the RCTB. Hanselman would be focusing on cases where producers are not in compliance. The Committee is looking to contract with Hanselman for a maximum of 160 hours through then end of the fiscal year, not exceed \$8,800. Beutell recommended decreasing the Research Committee expense budget by \$8,800, placing it in the Compliance Committee budget, and using those funds to pay Hanselman until the end of this fiscal year.
- Marsha Gray shared that she and Cyndi Knudson discussed the transfer of funds prior to the Board meeting.
- Board members discussed.

It was **MOVED** by Renee Beutell and **SECONDED** by Roger Beyer to engage contractor Jason Hanselman for a maximum of 160 hours through July 31, 2023, and the Board move \$8,800 from the Research budget and transfer it to the Compliance budget. **MOTION APPROVED.**

- Grower Audits** – Previously, the Board approved a contract with auditor Jim Lantz to conduct grower audits for the 2023 fiscal year. The contract has been completed and signed. Gray and Lantz will be working to conduct a recorded presentation regarding what to expect in an audit. USDA will review the video for approval. Lantz plans to begin the grower audits in May.
- Question regarding the grower audit letter and if it has been revised. Marsha Gray shared that it has been revised and will share a copy of the letter with the Board via email.
- Question regarding the number of audits that will be conducted for the 2023 fiscal year. Marsha Gray shared between 8-10 audits.

#### **Promotion Committee – Chuck Berry reported.**

- Market Strategy Discussion** – Berry shared that Chief Growth Advisory provided an analysis of the results from the 2022 campaign year. Committee chair, vice chair and Marsha Gray will review the report next week with the CGA team and will share the results with the Board at the next meeting in April.

#### **Management Staff Update – Marsha Gray reported.**

- Assessment Collection** – A brief overview of the assessment collection report was provided. As of March 23, 2023, a total of \$1,485,484.62 has been received. Gray shared that 75 growers who paid last year have yet to pay for the current assessment year, as well as some Importer assessments.
- Update on Online Reporting and Payment System** – The contract with Fishhook Development has been signed, and the initial deposit has been made. Fishhook is working to create a wireframe that outlines the functionality of the database. The goal is to have an example for growers to preview by the start of Summer Association meetings and for the system to be up and running by September or October.

#### **Old Business:**

- Board Term of Office Recommendation** – Marsha Gray shared that the proposed solution would be to adjust the terms of two of the six seats up for an appointment at the end of 2023. One seat would be awarded a one-year term and expire at the end of 2024, and another seat would be awarded a two-

year team and expire at the end of 2025. At that point, four seats would expire in each of the three years of the rotation.

The proposal would have the Importer seat (currently being held by Larry Downey) that expires at the end of 2023 be a one-year term, and the Western seat (currently being held by Roger Beyer) be a two-year term. All other seats that expire at the end of 2023 would be three-year terms, and the two seats with reduced terms would be three-year terms in all future years.

-Expiring in 2024: West, West, East, and Importer

-Expiring in 2025: West, West, East, and Central

-Expiring in 2026: West, East, East, and Central

It was **MOVED** by Gary Westlake and **SECONDED** by Charles Fowler to approve the Board Term Proposal as it was presented. **MOTION APPROVED.**

- USDA will send a press release announcing the open positions by region within one to two weeks. Marsha Gray will reach out to state trade associations and make an announcement via the newsletter. The deadline for nominations is June 1<sup>st</sup>.

#### **New Business:**

- Case for using “fake” terminology discussion** – Derek Ahl recommended that the Board consider building a case to submit to USDA that the word fake could be used in the RCTB marketing campaign. Marsha Gray provided examples of how the artificial tree industry advertises their products to the Board.
- Board members discussed the terminology and examples at length.

It was **MOVED** by Charles Fowler and **SECONDED** by Gary Westlake to direct Marsha Gray to build a case and submit it to USDA to use the word “fake” in the RCTB communication and marketing campaign. **MOTION APPROVED.**

**USDA** – George Webster reported.

- Specialty Crops Program has a new Deputy Administrator, Christopher Purdy, with 11 years of experience in Specialty Crops.
- Webster shared that with the current banking crisis, Tarun Harit, AMS’ Financial Program Manager, has contacted Marsha Gray and other Commodity Executive Directors to ensure all Board funds are invested as AMS guidelines say they must be.
- Waiting on the final approval from the budget amendment submitted after the February Board meeting. Webster will let Marsha Gray know as soon as it has been signed.
- The Federal Trade Commission is seeking public comment on the guides for using Environmental Marketing Claims. The FTC hopes to get public opinions on terms such as sustainable, recyclable, degradable, and ozone safe. Public comment has been extended until April 24, 2023.

#### **For the Good of the Order/Announcements:**

- Bob Schaefer revisited the terminology “fake” and how communication with the growers is vital, which includes getting the correct information to the right person within the company.
- Mike Jones shared that he sent Marsha Gray and Derek Ahl a communication where the big box stores had requested a sustainability message. Jones presented an idea of a privacy/shade screen with a marketing message, which offers shade for the outside lots and provides a sustainability message. The concept was well-received.
- Renee Beutell reported that a large grower meeting was held in North Carolina. Beutell shared how growers wish to work together to offer marketing material to the consumer.

#### **Meeting Schedule:**

- Next Meeting** - The next RCTB meetings will be held on April 20, May 18, and June 15 at 11:00 a.m. Eastern Standard time.
- One Agenda Item Meeting** – will be held on April 13<sup>th</sup> at 11:00 a.m. to approve the budget.

- c. **Summer In-person Meeting** – The RCTB will meet on Thursday, August 3<sup>rd</sup>, in conjunction with Minnesota Christmas Tree Association meeting on August 4-5 (NCTA Tree and Wreath Contest).

**Adjourn:**

It was **MOVED** by Roger Beyer and **SECONDED** by Bob Schaefer to adjourn the meeting. **MOTION APPROVED.**

Chairman Derek Ahl adjourned the meeting at 12:43 p.m. Eastern Standard time.

Respectfully Submitted,

Chuck Berry  
Secretary