

REAL CHRISTMAS TREE BOARD
BOARD MEETING
May 18, 2023

Via Video Conference

Welcome and Roll Call: The meeting was called to order at 11:02 a.m. Eastern Time by Chairman, Derek Ahl.

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

Board Members Not in Attendance: Mark Schmidlin

USDA Representative(s) in Attendance: Sue Coleman

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

Meeting Minutes:

Board members requested clarification on the motion made under the Governance Committee Report on page 2. No changes were requested.

It was **MOVED** by Bob Schaefer and **SECONDED** by Charles Fowler to approve April 20, 2023, Board meeting minutes as presented. **MOTION APPROVED.**

Agenda:

It was **MOVED** by Gary Westlake and **SECONDED** by Bob Schaefer to approve the agenda as presented. **MOTION APPROVED.**

Presentation of April 27th Email Vote Results:

Derek Ahl shared the results from the email vote that took place on April 27th. Ten votes yes with no votes against approving the \$40,000 planning contract with FleishmanHillard.

Chairman's Report:

- a. Nominations for 2024 Board Seat Appointments – Derek Ahl shared that currently, we have received two importer nominations, three eastern nominations, and one central nomination. Two nominees are needed for each seat, so at minimum, one more eastern nominee and four western nominees are needed. Ahl encouraged Board members to reach out to local growers. The deadline is June 1st.
 - Marsha Gray shared that she would email all California producers. It was asked if each region could receive an individualized email to encourage nominees. Gray will work with Jenny Tomaszewski to execute.
 - Board members discussed different ways to reach growers.
 - Question was asked what happens if two names are not included in the nomination packet? Charles Fowler shared that USDA requires two names per open seat, and if two names are not received, USDA will not accept the nomination packet. Sue Coleman shared that USDA would ask the Board to continue to reach out to growers and extend the nomination deadline until all nominations are filled.

Committee Reports

Finance Committee – Bob Schaefer reported.

- a. **April 2023 Financials** - Schaefer provided a brief overview of the April 2023 financials. Schaefer pointed out that the accrued expense went down \$87,417 from last month. Marsha Gray provided Shaefer with a summary of that account, which were payments for completed or ongoing research projects.

It was **MOVED** by Charles Fowler and **SECONDED** by Larry Downey to accept April 2023 financials as they were presented. **MOTION APPROVED.**

Research Committee - Cyndi Knudson reported.

- a. **Seedling Survey** - Knudson shared that the seedling survey report has been sent to USDA for approval.
- b. **RFP Announcement** - The RFP was announced and is in progress. Knudson encouraged the Board to share the RFP announcement as the committee likes to bring in new researchers and new ideas. The deadline for the RFP is June 30th.
- Video Clips of Researchers - Knudson shared that she has given the video clips to a professional videographer who will assemble the clips into short segments.
- c. **Recommendation to fund emerging issue research request** - The Research Committee received a proposal from Gary Chastagner with Washington State University as an emerging issue grant request. The Research Committee has voted to recommend this proposal for funding to the Board. Knudson provided a brief overview of the proposal received, which was sent to the Board prior to the Board meeting. The proposal request was for \$27,000, and they hope to start at the beginning of June if the Board approves it and the contract is secured with WSU.

It was **MOVED** by Roger Beyer and **SECONDED** by Gary Westlake to approve the RFP for \$27,000 as presented.
MOTION APPROVED.

Industry Relations Committee - Gary Westlake reported.

- The Industry Relations Committee will be meeting on Thursday, June 1st.
- Marsha Gray provided an update regarding the newsletter shared on private Facebook groups. Jessica Korson has volunteered to share the newsletter on the Great Lakes Facebook page, and Beth Bossio has volunteered to share the newsletter on the Real Christmas Tree Facebook page. Gray has reached out to the Southern Facebook Group, with no response yet. Gray is also working to contact the New England Facebook Group.
- Gray provided a list of the summer meetings and who will attend each:
 - **Ohio Association meeting** - June 23-24 - Marsha Gray will be in attendance.
 - **New York Association meeting** - July 21-22 - Marsha Gray will be in attendance.
 - **Mid-America Association meeting** - July 21-22 - Gray is not planning to attend but will send handouts.
 - **Michigan Association meeting** - July 26-27 - Marsha Gray will be in attendance.
 - **Minnesota Association meeting** - August 4-5 - The entire Board be in attendance.
 - **Pennsylvania Association meeting** - August 11-12 - Marsha Gray will be in attendance.
 - **North Carolina meeting** – August 11-12 - Cyndi Knudson will be in attendance.
 - **Southern Association meeting** (Alabama, Mississippi, and Louisiana)- August 11-12 - Chuck Berry will be in attendance.
 - **Connecticut and Massachusetts Association meetings** - August 19-20 - Marsha Gray will be in attendance.
 - **Wisconsin Association meeting** - Derek Ahl will be in attendance, and possibly Gray.
 - **Lunenburg Association meeting** (Canada) - Gray received a request to attend and hopes to be able to attend, depending on the budget.
- The Industry Relations Committee will meet to discuss the language for the association meeting handout, including information on the changes to the Order and the online reporting system.
- An idea was presented to create a couple of QR codes with the information shared on the handout for easy access by attendees.

Governance Committee - Charles Fowler reported.

- a. **Assessments on Imported Christmas Trees** -

The Governance Committee met last week and has found a few more items the committee would like to recommend for change in the Order. In section 1214.41, the committee recommends a verbiage change to “Ballots will be sent to known producers of 500 or more Christmas trees in each region for a vote.”

The other item brought to the committee’s attention was a request from Canadian producers that sell to box stores with a pay-by-scan system. Currently, In the US, the RCTB collects on 500 or more trees

cut and sold, and for imports, the RCTB collects on every tree imported. Canadian producers are requesting assessment relief for trees not sold.

- Board members discussed the process and whether they should change the Order.
- Sue Coleman mentioned section 1214.53, possibly adding an importer paragraph with language with a time frame to request a refund and include a third party to ensure the information received is accurate.
- Derek Ahl directed the Governance committee to move forward with USDA to develop wording.
- Charles Fowler shared that the Board must also approve the summary document. Once the language is approved, Board members are encouraged to connect with local growers, making them aware of the proposed changes in the Order.
- A question was raised under the procedural changes, allowing for industry voting by any means available communication, stating electronically or by other means, provided the vote is verifiable. Charles Fowler shared that it must be verifiable. Sue Coleman shared that this language came from USDA; it is intended to modernize to allow for the use of future communication tools.

Compliance Committee - Renee Beutell and Marsha Gray reported.

- a. **Compliance and Audit Update** - Jamie Hanselman is following up on newly discovered producers. To date, Hanselman has secured 22 producers that have submitted harvest reports and assessment payments and 80 producers who have submitted exemption forms.
 - Marsha Gray and Jenny Tomaszewski are working on reviewing the out-of-business producers. Trying to determine who is out of business and who may still be active in the industry.
 - Jamie Hanselman has been working to connect with 65 producers who are late in reporting for the 2022 harvest year – Hanselman has received sales forms and payment for more than half.
 - Jason Hanselman has been working on five more significant cases; he has completed his investigation on two farms, which have been turned over to Jamie to collect the assessments.
 - James Lantz has completed his first compliance audit, and the remaining audits will occur in June.
 - Marsha Gray revisited the project she and Jenny Tomaszewski are working on to clean up the database.

Promotion Committee - Jane Neubauer reported.

- Neubauer shared that she, Chuck Berry, and Marsha Gray, met on May 1st with the FleishmanHillard team to discuss the campaign for 2023, and they will meet again on June 6th for their recommendations for the coming year. They currently have three buckets of focus: the media, consumer motivation strategies, and the emphasis on retailer amplification. Neubauer reported that the committee and FH team are committed to agreeing on measurable results in advance of the campaign.
- Neubauer shared that Mike Jones brought the committee an idea to produce shade cloth, putting the RCTB logo with a sustainability message that a chain store might use, not only functionally but putting a great message out.
- Marsha Gray will email out an example of the image of the shade cloth with the sustainability message as presented by Mike Jones.

Management Staff Update - Marsha Gray reported.

- a. **Assessment Collection** - A brief overview of the assessment collection report was provided. As of May 17, 2023, a total of \$1,521,639.72 has been received.
- b. **Report on Impacts on 2022 Assessment Collections** - Gray looked at the 10 top reporting producers in 2021; those same producers reported 580,000 fewer trees in 2022. Gray then looked at the top production regions: Oregon was down 419,000 trees, Michigan/Wisconsin was down 280,000, North Carolina was down 50,000, and Canadian imports were down 150,000 trees. Several possible reasons for the reduced numbers reported include several drought years/weather conditions that may have reduced production as well as consolidation of farms.
- c. **Update on New Database and Online Reporting System** - Gray shared that Steve Mortimore with Fishhook Development assembled many simplistic wireframes of what the online reporting site will look like. Within the next few weeks, Mortimore hopes to have assembled the completed wireframe

right around the first of June. At a future meeting, Mortimore will present the front-end side of the site to the Board. Gray received some initial quotes for the cost to process online payments, whether ACH, credit card, or wire. Gray will be working with the bank to have those costs itemized. The goal to have it up and running remains September 1st.

Old Business: No new items to report.

New Business:

a. **Management Evaluation -**

Chairman, Derek Ahl, called the Board into Executive Session at 12:23 pm Eastern Time. Staff members were absent.

Chairman, Derek Ahl, adjourned the Executive Session at 12:37 pm Eastern Time. During the closed session, the Board reviewed the management evaluation. Derek Ahl has directed Marsha Gray to work with Sue Coleman in creating a Board evaluation format.

b. **2022-23 Management Agreement -**

It was **MOVED** by Chuck Berry and **SECONDED** by Gary Westlake to approve the Gray Management contract for \$235,850 for the 2023-24 fiscal year. **MOTION APPROVED.**

c. **NCTA Proposal – NFPA Fire Conference -** Marsha Gray shared the history of the NFPA Fire Conference. Last year, the reimbursement went well over the requested budget. For the 2023 NFPA, NCTA submitted a proposal for up to \$7,000 or more if actual costs exceed \$7,000.

It was **MOVED** by Bob Schaefer and **SECONDED** by Renee Beutell to approve the Nation Christmas Tree Association (NCTA) RFP for up to \$7,000. **MOTION APPROVED.**

USDA - Sue Coleman reported.

- Use of the word “Fake” is still being reviewed by USDA as it has implications for the other 22 commodities.
- Customs and Border Protection collection of assessments remains on track to collect import assessments starting in mid-October. We may see some beta testing this summer.
- Coleman shared a link to a workshop the Federal Trade Commission is hosting on the Green Guides on May 23rd.
- A question was raised on who is reviewing the “fake” terminology. Coleman shared that a marketing communications group within the Market Development Division works with group that is comprised of all 22 research and promotion programs. Coleman stated that there are other products such as dairy, eggs, mushrooms, and beef that the terminology “fake” comes up.

For the Good of the Order/Announcements: No items to report.

Meeting Schedule:

- a. **Next Meeting** - The next RCTB meeting will be held on June 15 at 11:00 a.m. Eastern Time.
- b. **Summer In-person Meeting** - The RCTB will meet on Thursday, August 3rd, in Cambridge, Minnesota, in conjunction with the Minnesota Christmas Tree Association meeting on August 4-5 (NCTA Tree and Wreath Contest).

Adjourn:

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

Chairman Derek Ahl adjourned the meeting at 12:59 p.m. Eastern Time.

Respectfully Submitted,

Chuck Berry
Secretary