

REAL CHRISTMAS TREE BOARD
BOARD MEETING
March 14, 2024

Via Video Conference

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

Board Members in Attendance: Chuck Berry, Renee Beutell, Derek Ahl, Mike Jones, Jane Neubauer, Gary Westlake, Larry Downey, Mark Schmidlin, JoLynn Stroda, and Chris Aldrich

Board Members Not in Attendance: Bob Schaefer and Charles Fowler

USDA Representative in Attendance: Alex Caryl and Sarah Richardson

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

Agenda:

Jane Neubauer requested to move the Virtual Field Trip presentation from New Business to the Promotion Committee Report.

It was **MOVED** by Chuck Berry and **SECONDED** by Renee Beutell to approve the agenda as corrected.

MOTION APPROVED.

Meeting Minutes:

It was **MOVED** by Mark Schmidlin and **SECONDED** by Gary Westlake to approve the February 15, 2024, Board meeting minutes as presented. **MOTION APPROVED.**

Appointment of Committee Members – Derek Ahl report.

Ahl has received a list of committee members from the Promotion Committee and the Industry Relations Committee but is waiting to hear from the remaining committees. He has requested that all committee chairs provide their committee lists before the next meeting in April.

Committee Reports

Finance Committee - Marsha Gray reported for Bob Schaefer

- a. **February 2024 Financial Statement** - Gray provided a detailed overview of the February 2024 financials.

It was **MOVED** by Chris Aldrich and **SECONDED** by Larry Downey to accept the February 2024 financials as they were presented. **MOTION APPROVED.**

- b. **FY 2024-25 Budget Process**—Gray reminded the Board that if their committee has any budget requests, they must be submitted to Bob Schaefer by March 15th. A final budget will be assembled and submitted to USDA for approval by April 15th.

Research Committee - Mark Schmidlin and Cyndi Knudson reported.

- a. **International Christmas Tree Research Conference Attendance** - Schmidlin suggested that the RCTB be present at the International Christmas Tree Research Conference in Denmark as it provides an avenue for researchers to be aware of the RCTB. The registration cost is approximately \$1,755.00. Schmidlin has requested that the Board consider sending himself and Cyndi Knudson as representatives.

- Board members discussed where the funds would come from. Marsha Gray shared that no funds are available in the current research account budget; the funds would need to be pulled from another account, and a budget amendment would need to be completed.
- Board members discussed it at length. Marsha Gray tasked Cyndi Knudson and Mark Schmidlin to assemble costs with different options for the Board to vote on via email.
- b. **Seedling Survey Update** - Knudson shared that the Seedling Survey process started earlier this year, and the mailing took a bit longer than planned. The deadline has been extended until May 1st.
Knudson thanked Larry Downey, who helped create a French translation for seedling producers in Quebec. The French translation has been USDA-approved.

Governance Committee – Marsha Gray reported for Charles Fowler.

- a. **Order Recommendations Status** – Alex Caryl will cover this report under the USDA report.

Promotion Committee - Jane Neubauer reported.

- a. **Promotion Expenses** - Neubauer shared that the Promotion Committee had set aside \$75,000 towards retailer promotion, which included completing research to understand better what retailers are looking for from the RCTB and what would help sell the product. The study was conducted in small focus groups and several individual interviews, which FleishmanHillard facilitated. Because the committee did not pursue significant retailer activations this year, the Promotion expense will be approximately \$52,000 under budget.
The Promotion Committee is considering hosting a retailer survey using internal RCTB resources to receive additional feedback and information.
- b. **Update - Committee Meeting** – Neubauer reported that the Promotion Committee held a meeting on March 12th. The Committee will continue working with FleishmanHillard for the 2024 season. \$35,000 has been allocated to FleishmanHillard for planning for the 2024 season, which was previously approved. The Promotion Committee goes through an RFP process every five years.
- c. **Virtual Field Trips** – Marsha Gray and Neubauer met with Shiftology, a marketing firm out of Ohio that hosts Virtual Farm Trips, a virtual farm tour of working farms for teachers and students. The company provides the platform; they have a database of teachers in every state with over 25,000 teachers. The platform is free to teachers. This would be a way to reach many children for a minimal cost, depending on the number of videos produced. There would be some additional expenses, such as headsets, to ensure the audio is good and planning. Shiftology will also provide metrics for gauging engagement.
 - Board members provided positive feedback and encouragement for the Virtual Farm Trips presentation.
 - Gray shared that she will email the Board a link to review the Virtual Farm Trips site. Please let Gray know if you have suggestions for someone in the industry who may be a good fit to serve on an exploratory committee.
- d. Marsha Gray shared that the RCTB will be creating a sustainability logo, something reputable that could be duplicated over and over for anyone who would like to use it. The Committee felt that “100% recyclable and 100% biodegradable” was the strongest message. Gray has met with one big box store and will be meeting with another big box store in a couple of weeks. She hopes to have the official artwork available at the next Board meeting. USDA has reviewed and approved the idea.

Compliance Committee - Renee Beutell reported.

- a. **Proposal from Gray Management** - Beutell and Marsha Gray shared that they would like to provide more hours for Jamie Hanselman. Gray shared that she would like to voluntarily request

a decrease in the Gray Management budget by \$2,000 and an increase in the Compliance Committee budget by \$2,000.

It was **MOVED** by Renee Beutell and **SECONDED** by Chuck Berry to accept the Gray Management proposal that Gray Management voluntarily amend their contract and reduce their fees by \$2,000 in the fiscal year 2023/2024 and amend the contract with Jamie Hanselman to increase her hours equivalent to \$2,000 in the fiscal year 2023/2024. **MOTION APPROVED.**

Industry Relations – Gary Westlake

- Westlake shared that he is pleased that the Board's committee work is coming together.
- The National Pork Board presents a pig farmer of the year award. Westlake thought presenting a North American Christmas Tree Award would be something to consider.
- Gray shared that Winter meetings have nearly wrapped up, and she has received numerous requests for upcoming Summer meeting presentations. Novia Scotia has requested that Gray speak at their Summer meeting, which Gray plans to attend.

Management Staff Update - Marsha Gray reported.

- a. **Correspondence** - Renee Beutell and Gray shared a letter that USDA has approved. The letter will help describe the assessment to producers who are responsible for paying it based on buying and selling. The letter hasn't been mailed yet.
 - b. **Assessment Collection Update:** As of March 13, 2024, we have received a total of 939 payers through the lockbox for \$1,148,354.70 and Importer Assessment received via US Customs for \$241,472.25, totaling \$1,389,826.95.
 - c. **Importer Assessment Collection Process** - Gray shared that this is our first year of assessments being collected by US Customs on our behalf. Gray is pleased with the reports provided and spent numerous hours comparing them to ensure accuracy. We will continue to work with US Customs and Border Control. Feedback from importers has been positive for the most part.
 - d. **On-Line Reporting and Payment System, Database Update** – Gray shared that the new system is live and working. The connection with QuickBooks online to the database has been established, and we are working to make that final connection to the Stripe account, which is the online payment system. There will be a credit card option for anyone interested in donating. The staff has a little backup work from the old database to the new one to ensure all years of records are there. Four producers have held off on payment to voluntarily test the new system, which will hopefully take place in a few weeks.
- **Exempt producers** – Gray shared that over the summer months, a letter will be mailed to all exempt producers to have them complete a 2023 application for exemption, which can be completed on the new online and reporting system. From now on, it is a requirement for exempt producers to report yearly.

Old Business:

- a. **US Capitol Christmas Tree, National Christmas Tree** – Marsha Gray provided an update on the presentation from the February in-person meeting regarding the Capitol Christmas Tree and the National Christmas Tree. The National Christmas Tree has an organization that coordinates the project, and Gray has been put in touch with the organization. Gray wants to ensure that it is always a real Christmas tree. Currently, there is a grower who will likely supply the tree this year. If this organization is interested in having the RCTB partner, the door is open. We are awaiting more details.

New Business: No new items to report.

USDA - Alex Caryl reported.

- a. **Status of Management Review Report** - This has been completed, and the report was handed over to Marsha Gray. Gray will email the report to the Board. Caryl was happy to report that there were no findings.
- b. **Status of Order Changes** - Caryl shared that the Order is currently with the Administrator's Office. The red text is being worked on in-house, and the economist is writing the RCTB's regulatory flex analysis. Once it becomes a proposed rule, all questions and comments must be posted on the Federal Register for public inspection and comment.
- c. **Status of Non-Reporting Importer Turned over to USDA** - Assembling all the documentation and ensuring it is in tip-top shape. Once prepared, the documents will be sent to the USDA Lawyers at the Office of General Counsel, who need to ensure that they fully understand and that the case is legitimate. Settlement is also available for anyone who is out of compliance.
- d. **OMB Forms** - These are being updated and were published in December. No comments were received, and they are being finalized with the department.
- e. **U.S. Customs** – Pleased that USDA was able to get the CTPB into the Customs system. Caryl reported that there have been major issues with the US Customs reporting, which has been very frustrating for all Boards involved.
- f. **Policy Change—The deputy administrator is currently handling this**, and a response should be received shortly.
- g. **Nominations** – USDA is under a lot of scrutiny regarding all nominations. USDA has been fielding many questions from the Secretary and his office. As you prepare for the next round of Nominations, please ensure the forms are completed fully. Any extra information that can be provided would be helpful to the Secretary.
- A question was asked if the Board will see the final Order language before it is posted to the Federal Registry. Caryl shared that the Board will be made aware of any changes made to the red text.

For the Good of the Order/Announcements:

- Gary Westlake asked when fees and penalties will be applied for the 2023 Assessment. Marsha Gray shared that March 18th is the official date.

Meeting Schedule:

- a. **Next Meeting** - The next meeting of the RCTB will be a conference call on Thursday, April 11th, at 11:00 a.m. Eastern.
- b. **Summer In-Person Meeting** - At the February in-person Board meeting, the Board decided not to have an in-person board meeting this summer as a cost-saving measure. Chairman Ahl decided to revisit the topic based on comments following the February meeting. Following the Board discussion, the motion made at the February in-person meeting still stands.

Adjourn:

It was **MOVED** by Gary Westlake and **SECONDED** by Larry Downey to adjourn the meeting.

MOTION APPROVED.

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

Respectfully Submitted,
Mike Jones
Secretary