

REAL CHRISTMAS TREE BOARD
BOARD MEETING
May 16, 2024

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: Derek Ahl, Mike Jones, Jane Neubauer, Gary Westlake, Larry Downey, Mark Schmidlin, Charles Fowler, Chuck Berry, JoLynn Stroda, and Chris Aldrich

Board Members Not in Attendance: Bob Schaefer and Renee Beutell

USDA Representative in Attendance: George Webster

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

Agenda:

It was **MOVED** by Charles Fowler and **SECONDED** by Chuck Berry to approve the agenda as presented.
MOTION APPROVED.

Meeting Minutes:

It was **MOVED** by Mark Schmidlin and **SECONDED** by JoLynn Stroda to approve the April 11, 2024, Board meeting minutes as presented. **MOTION APPROVED.**

Chairman's Comments: Derek Ahl Reported

- a. **Nominees for Board Appointments** - There are four open seats: one Importer, one Eastern, and two Western. USDA requires two names for every open seat. To date, the Board has received three candidates: one Western, one Eastern, and one Importer - five candidates remain. All nominations must be submitted by June 1.
- b. **Management Evaluation** - Ahl thanked the Board for completing the management evaluation, which has been presented to the Gray Management team.

Committee Reports

Finance Committee – Marsha Gray reported for Bob Schaefer.

- a. **April 2024 Financial Statement** - Gray provided a detailed overview of the April 2024 financials, pointing out the CDARS for a half million and one million have been invested. Another item Gray pointed out was the budget amendment to take the \$2,000 from Gray Management and apply it to the Compliance contract, which has been approved. When that budget amendment was created, George Webster requested that the budget be updated to reflect expectations for year-end.
- A question was raised about the late fee income. Gray shared that in the past, we have been asking for waivers from USDA for producers who were late in submitting payment. The RCTB is now collecting late fees for those 30 days past the payment date. In April, seven late fees of \$250 were collected.

It was **MOVED** by Charles Fowler and **SECONDED** by Gary Westlake to accept the April 2024 financials as they were presented. **MOTION APPROVED.**

- b. **Approved CDARS Investment** - Following the Board's approval at the last Board meeting, Bob

Schaefer and Marsha Gray worked to invest a half million dollars into a three-month CDARS, which will mature on July 18th and another one million dollars into a six-month CDARS, and it will be mature on October 17th. The three-month will earn approximately \$5,000 in interest, and the six-month will earn approximately \$22,000 in interest. Once matured, the Board will review the cash needs and interest rates at that time.

- c. **2024-2025 Budget** - The official approval for the 2024-2025 budget has been approved by USDA as of this morning, May 16th.

Research Committee - Mark Schmidlin and Cyndi Knudson reported.

- a. **Update** - The RFP will be announced today, May 16th. Due to the delay in the USDA's budget approval, the due date will be extended to July 15th. Once all the RFPs have been received, the Research Committee will review and present them to the Board at the August Board meeting.

Governance Committee – Charles Fowler reported.

- a. **Order Status** – George Webster will report on the Order status under the USDA report.

Promotion Committee - Jane Neubauer reported.

- a. **Virtual Field Trip Working Group** - The industry has responded well; six individuals have said they would be interested in joining the working group. They had a great kick-off meeting with these individuals and are considering different options. The group will meet again shortly and hopes to have a proposal at the June 20th Board meeting.
- b. **Planning for the 2024 Campaign** - Neubauer shared that Chuck Berry, Marsha Gray, and she will meet with FleishmanHillard on June 7th to discuss their big proposal for the upcoming campaign season. The presentation will be recorded and shared with the Promotion Committee and the Board.

Compliance Committee - Marsha Gray reported for Renee Beutell.

- **Compliance Audits** -Six audits were assigned to auditor Jim Lantz. Two have been completed, two are scheduled, and the additional two are being worked into the schedule. They should be wrapped up by the end of this fiscal year. A seventh audit was not pursued once more information was obtained from the reporting producer.

Industry Relations – Gary Westlake reported.

- a. **Summer Meeting Presentation Plan** - Marsha Gray shared that the presentation would focus more on the RCTB's available resources. These include a useful toolbox for marketing, artwork, logos, and training videos, which will be made available and demonstrated how to access them. Beth Bossio and Kate Dodde have volunteered to help with the hands-on work of showing producers how to access these tools.
- A question was raised about whether the Board will have a vendor location at the State Association meetings. Gray shared that it is her goal; the challenge will be having someone representing the booth the entire time.
- b. **Potential Mailing Project** - Westlake shared that Jane Neubauer recommended the committee develop a tangible resource that could be mailed to paying growers. The resource could include each payer's specific online reporting RCTB number. Westlake is seeking input from the Committee.

Management Staff Update - Marsha Gray reported.

- a. **Assessment Collection Update:** As of May 15, 2024, we have received 1048 payers through the lockbox for \$1,226,402.70 and an Importer Assessment received via US Customs for \$245,312.25, totaling \$1,471,791.45.

- Gray shared that the top ten reporting farms in 2021 reported 580,636 fewer trees than in 2022. The same top 10 reporting farms from 2021 in 2023 reported 297,715 fewer trees than in 2022. Comparing 2022 and 2023 harvest reports in the top three production states/regions and Canadian Imports: Oregon was down 267,775 trees, Michigan/Wisconsin were up 26,914 trees, North Carolina was down 27,360 trees, and Canadian Imports were up 7,508 trees.
- Board members discussed possible contraction in the industry, mainly environmental issues, such as repeated drought years, heat, seedling losses, fewer farms, and consolidated farms.
- b. **On-Line Reporting and Payment System, Database Update** – Gray shared that she tested the online payment system with her personal bank account, and everything worked seamlessly. Steve Mortimore has done lots of testing, and it works from beginning to end. We have eight producers who have agreed to test the new system and will be reporting their 2023 harvest. Early next week, these producers will be able to create their accounts and log in to make their 2023 payment. Steve Mortimore will be standing by to ensure everything checks through properly.
- c. **Incentive for Online** – Gray shared that it would be easier for each producer to log in by providing their unique RCTB account number, which is a number that is already housed in the database. Initially, we thought it would be a personalized mailing to each producer and provide that unique account number, possibly a printed sticker with their RCTB account number. They could write in the password they created. Trying to make it as user-friendly as possible by including step-by-step instructions.
Gray confirmed with George Webster that the Board could offer an incentive to get producers to use the new online system and consider offering a drawing for anyone who creates an account and submits an online payment by February 15th to win a prize in a random drawing.

Old Business: No new items to report.

New Business:

- a. **Management Contract** – Derek Ahl reported.

Marsha Gray, Jenny Tomaszewski, and Cyndi Knudson left the meeting before the Executive Session.

The Chairman, Derek Ahl, called the Board into an Executive Session at 11:48 a.m. Eastern time to discuss the Gray Management contract for the 2024-2025 fiscal year.

The Chairman, Derek Ahl, adjourned the Executive Session at 12:01 Eastern Time.

Marsha Gray, Jenny Tomaszewski, and Cyndi Knudson rejoined the meeting.

During the Executive Session, the Board approved the Gray Management contract as it was presented.

USDA – George Webster reported.

- a. **Budget** - The 2024-2025 budget was approved this morning, May 16th. The approval was delayed because USDA had to first approve the budget amendment for the current fiscal year.
- b. **Status of Order Changes** – Webster shared positive movement with the Order. USDA has finished the storytelling portion and sent it to Initial Leadership, who made some edits and sent it further up the chain. The regulatory text that changes in the Order has been sent to the subject matter experts who work with the Federal Register to see if they have any input regarding the format, language, or anything they think the Federal Register would say no to. If any edits are received, Webster will share these changes with the Governance Committee and Marsha Gray. Once it is in the Federal Register, recently, they have been offering a 30-day comment period versus a 60-day one, helping to speed up the process.

- c. **Status of Non-Reporting Importer Turned over to USDA** – Webster shared that the non-reporting Importer case has been sent to OGC, and OGC confirmed that a lawyer has been assigned to the case. Unfortunately, once it goes to OGC, USDA doesn't receive updates but will let the Board know when updates become available.

For the Good of the Order/Announcements:

- Mark Schmidlin thanked the Gray Management Team for their work.
- Schmidlin shared that Oregon State University made an offer to an individual; unfortunately, they turned it down. OSU continues to search for a Christmas tree extension agent.
- The final webinar with Michigan State University will be on June 25th. It will focus on weed control and resistance management in Christmas trees. Restricted pesticide credits from many states are available.

Meeting Schedule:

- a. **Next Meeting** - The RCTB's next meeting will be a conference call on Thursday, June 20, 2024, at 11:00 a.m. Eastern.
- b. Marsha Gray will send out a doodle pool for the best meeting dates for July and August.

Adjourn:

It was **MOVED** by Mike Jones and **SECONDED** by Chuck Berry to adjourn the meeting. **MOTION APPROVED.**

Chairman Derek Ahl adjourned the meeting at 12:17 p.m. Eastern.

Respectfully Submitted,
Mike Jones
Secretary