

6601 W Deschutes Ave
Suite C-2
Kennewick, WA 99336
1-800-446-0852
(509) 585-5460
(509) 585-2671 fax



FAR WEST SPEARMINT OIL
ADMINISTRATIVE COMMITTEE

March 26, 2019

TO: All Growers, Handlers and Interested Parties
SUBJECT: Summary of Far West Spearmint Oil Administrative Committee Meeting

The Far West Spearmint Oil Administrative Committee met on Wednesday, February 13, 2019. Approximately 30 growers, handlers and interested parties attended the meeting.

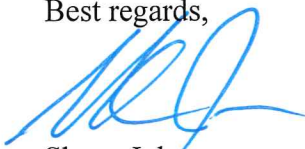
Due to a lack of a quorum, the Committee took no formal action, but recommended the following action. The Committee held a Conference call on Friday, March 1, 2019 to ratify all recommendations made by the Committee.

The Committee recommended the following actions:

1. Approved the budget (printed on the reverse side) for the 2019 – 20 marketing year.
2. Recommended that the Assessment rate be increased to \$0.10/lb for the 2019 – 20 marketing year.
3. Reviewed the 2018 – 19 and 2019 – 20 Scotch and Native regulation.
4. Reviewed the 2018 – 2019 Class 3 (Native) salable increase.
5. Changed the Class 1 (Scotch) Bona Fide Effort Rule (attached)
6. Set the date of the next Committee meeting for October 16, 2019 to be held in Pendleton, OR. The main agenda item will be the setting of the 2020 – 2021 Salable Percentages.

The minutes of the meeting will be posted to the Far West Spearmint website, along with the updated stat tables, at www.farwestspearmint.org. If you require a physical copy of any of this information, contact the FWS office at the number above.

Best regards,



Shane Johnson
Manager

FAR WEST SPEARMINT OIL ADMINISTRATIVE COMMITTEE
2019 - 20 Budget

A		C	D	E	F
		Est. Total 2018 - 19 June 1 - May 31	2018 - 19 Budget	Est. Over/ Under Budget	Recommended 2019-20 Budget @ \$.10
Scotch Sales	a	700,777.00	925,000.00	(224,223)	805,000.00
Native Sales	b	1,211,823.00	1,250,000.00	(38,177)	1,400,000.00
Total Sales	1	1,912,600.00	2,175,000.00	(262,400)	2,205,000.00
Proposed Assessment Rate	2	\$ 0.09	\$ 0.09		\$ 0.10
ESTIMATED ASSESSMENT INCOME		\$ 172,134.00	\$ 195,750.00	\$ (23,616.00)	\$ 220,500.00
CASH RECEIPTS					
Assessments	3	\$ 172,134.00	\$ 195,750.00	\$ (23,616.00)	\$ 220,500.00
Interest	4	\$ 400.00	\$ 400.00	\$ -	\$ 400.00
Refunds	5	\$ -	\$ -	\$ -	\$ -
Other Income	6	\$ 1,331.00	\$ 1,500.00	\$ (169.00)	\$ 1,250.00
TOTAL CASH RECEIPTS	7	\$ 173,865.00	\$ 197,650.00	\$ (23,785.00)	\$ 222,150.00
CASH DISBURSEMENTS					
Committee Expenses					
Public Relations	8	\$ 2,544.32	\$ 3,000.00	\$ (455.68)	\$ 3,000.00
Committee Per Diem	9	\$ 4,500.00	\$ 6,000.00	\$ (1,500.00)	\$ 5,500.00
Committee Travel	10	\$ 4,000.00	\$ 8,500.00	\$ (4,500.00)	\$ 6,500.00
Total Committee Expenses	11	\$ 11,044.32	\$ 17,500.00	\$ (6,455.68)	\$ 15,000.00
Administrative Expenses					
Agency Fee	12	\$ 169,000.00	\$ 169,000.00	\$ -	\$ 169,000.00
Travel	13	\$ 12,000.00	\$ 16,000.00	\$ (4,000.00)	\$ 15,000.00
Office Supplies	14	\$ 150.00	\$ 400.00	\$ (250.00)	\$ 300.00
Copying	15	\$ 1,548.45	\$ 1,000.00	\$ 548.45	\$ 1,750.00
Printing	16	\$ 350.00	\$ 400.00	\$ (50.00)	\$ 400.00
Postage	17	\$ 1,200.00	\$ 1,000.00	\$ 200.00	\$ 1,500.00
Land Line Phone	18	\$ 300.00	\$ 600.00	\$ (300.00)	\$ 350.00
Cellular Phone Charges	19	\$ 650.00	\$ 1,000.00	\$ (350.00)	\$ 700.00
Dir. & Officer Liability Insurance	20	\$ 658.34	\$ 2,250.00	\$ (1,591.66)	\$ 2,250.00
Internet Services	21	\$ 250.00	\$ 250.00	\$ -	\$ 250.00
Accounting (Annual Audit, Bond)	22	\$ 6,021.44	\$ 6,000.00	\$ 21.44	\$ 6,750.00
Compliance	23	\$ -	\$ 500.00	\$ (500.00)	\$ 500.00
Dues, Subscriptions, Registrations	24	\$ 300.00	\$ 500.00	\$ (200.00)	\$ 500.00
Bank Fees	25	\$ 150.00	\$ 200.00	\$ (50.00)	\$ 200.00
Software/Web/AAC Project	26	\$ 3,000.00	\$ 5,000.00	\$ (2,000.00)	\$ 45,000.00
Miscellaneous	27	\$ 181.96	\$ 200.00	\$ (18.04)	\$ 400.00
Total Administrative Expense	28	\$ 195,760.19	\$ 204,300.00	\$ (8,539.81)	\$ 244,850.00
Market Research & Promotion	29	\$ 13,157.68	\$ 12,000.00	\$ 1,157.68	\$ 13,000.00
TOTAL CASH DISBURSEMENTS	30	\$ 219,962.19	\$ 233,800.00	\$ (13,837.81)	\$ 272,850.00
Excess Income over Expenses	31	\$ (46,097.19)	\$ (36,150.00)	\$ (9,947.19)	\$ (50,700.00)
RESERVE FUND PROJECTIONS					
	32	Actual Reserve Fund on May 31, 2018			\$ 226,658.28
	33	Plus Est. Excess Income over Expenses In 2018-19			\$ (46,097.19)
	34	Estimated Reserve on May 31, 2019			\$ 180,561.09
	35	Estimated Cash Receipts in 2019-20			\$ 222,150.00
	36	Est. TOTAL CASH ON HAND			\$ 402,711.09
	37	Est. Cash Disbursements in 2019-20			\$ 272,850.00
	38	Est. Reserve on May 31, 2020			\$ 129,861.09
	a	Committee Estimates made at October 17, 2018 meeting.			
	b	Committee Estimates made at October 17, 2018 meeting.			



**FAR WEST SPEARMINT OIL
ADMINISTRATIVE COMMITTEE**

6601 W Deschutes Ave
Suite C-2
Kennewick, WA 99336
(509) 585-5460
(509) 585-2671 fax

Bona Fide Effort Rule

Proposed at the February 13, 2019 Administrative Committee Meeting

Basic Rule

“Bona fide effort means that on April 15 of each marketing year each grower must have enough acres of land commercially planted with the appropriate Class of Spearmint roots that will, when multiplied by their highest average yield over the past 3 years, or, if unavailable, the highest average yield for their area over the past 3 years, equals at least **20** percent of the initial Annual Allotment issued to them for the following marketing year; provided: a grower’s reserve pool oil shall be used in computing their compliance with this provision and provided further,

Specific
Scotch
Provisions

*If on April 15 a Scotch grower is out of compliance, if the grower has been notified in writing that a bona fide effort is not being made on Class 1 (Scotch), that grower will have *four (4)* years to comply with the rule or their Class 1 (Scotch) Allotment Base will be reduced by an amount equivalent to such unproduced portion *and, provided further*,*

Specific Native
Provision

if a grower has been notified in writing that a bona fide effort is not being made on Class 3 (Native) that grower will have one year to comply with the rule or their Class 3 (Native) Allotment Base will be reduced by an amount equivalent to such unproduced portion. (Section 985.53(e))”

Established Bona Fide Effort rule for Recipients of Additional Base

Specific New
Producer
Provision

Section 985.153 (d) states that:

(d) The person receiving any additional allotment base pursuant to this section shall submit to the Committee, evidence of an ability to produce and sell oil from such allotment base in the first marketing year following issuance of such base.

The Bona Fide Effort rule does not apply towards the five (5) year production requirement of new producers. New producers must keep their issued (drawn) allotment base for at least five (5) years before they can transfer this base. In years where new producers are unable to provide evidence of an ability to produce and sell oil from their drawn allotment base, using the Bona Fide Effort rule, these years will not count towards the five (5) year production requirement.