



FAR WEST SPEARMINT OIL
ADMINISTRATIVE COMMITTEE

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MINUTES

Administrative Committee Meeting

Three Rivers Convention Center, Kennewick, WA
Wednesday, February 21, 2018

Chairman Kene Christensen called the meeting to order at 9:10 am.

ROLL CALL – Attending were:

Committee Members: Kene Christensen, Todd Wheeler, Matt Sealock, Ryan Ferguson, Allen Schmid, Harold McConnell*, Caleb St. Hilaire, and Jay Castle

*Alternate Member filling in for Dave Christensen

Alternate Committee Members: Arnold Martin, Harold Sealock, George Colley, Nancy Boettcher

Growers: Gary Christensen, Ken Schutte, Craig Gilbert, Ronald St. Hilaire, Chris Van Belle

Handlers: Max Amundson, Rodney Jones- Callisons, Rich Schneider and Tyler Schilperoort – AM Todd Co., Phil Dufault – Labbeemint, Chris Leman – Norwest Ingredients, John Cheatham-Lebermuth

Interested Parties: Rod Christensen

USDA: Barry Broadbent – N.W. Marketing Field Office, Portland, OR

Administration: Shane Johnson, Kim Hatch and Sheri Nolan

ELECTION OF OFFICERS

A motion was made by Matt Sealock, seconded by Caleb St. Hilaire to retain Kene Christensen as Committee Chairman. Motion passed unanimously.

A motion was made by Ryan Ferguson, seconded by Jay Castle to retain Todd Wheeler as Committee Vice-Chairperson. Motion passed unanimously.

A motion was made by Allen Schmid, seconded by Todd Wheeler to retain Caleb St. Hilaire as Committee Secretary. Motion passed unanimously.

A motion was made by Todd Wheeler and seconded by Allen Schmid to nominate Matt Sealock as Committee Treasurer. Motion passed unanimously.

NOMINATION OF PUBLIC MEMBERS

A motion was made by Allen Schmid, and seconded by Harold McConnell to nominate Jay Castle as the Public Member and Nancy Boettcher as the Alternate Public Member. Motion passed unanimously.

CONSIDERATION OF OCTOBER 25TH MEETING MINUTES Todd Wheeler moved and Matt Sealock seconded the motion to accept the minutes of the October 25th, 2017 administrative Committee Meeting as presented. The motion passed unanimously.

REVIEW AND APPROVAL OF CURRENT FINANCIAL STATEMENTS

Shane Johnson reviewed the Statement of Income and Expenses for the period June 1, 2017-February 20, 2018. He reported that the income to date totaled \$157,739.50; total expenses to date are \$155,168.64. Resulting in a net income of \$2,570.86. He reported that the balance sheet indicated that there is \$65,228.00 in the Banner Bank account, \$33,928.57 in the Banner Bank 12 month CD, \$52,578.86 in the Banner Bank CD, and \$84,418.25 in the Washington Trust Bank Account, \$177.00 in the American West CD, and prepaid insurance of \$2,789.31. There were no questions on the financial statements. Todd Wheeler moved and Jay Castle seconded the motion to approve the financial statements as presented. Motion passed unanimously.

Shane Johnson reviewed the bank fees and checks that were written since the October 25 meeting. The Check detail was included in the Members and Alternate Members meeting packet. Matt Sealock made a motion, and Ryan Ferguson seconded to approve the check detail as presented. Motion passed unanimously.

AUDIT REVIEW

Emily McCann and MoniQue Scherf from CliftonLarsonAllen were in attendance to present the 2016-17 audit review. A motion was made from Allen Schmid, and seconded by Caleb St. Hilaire to accept the 2016-2017 audit as presented. Motion passed unanimously

NEW BUSINESS

Allotment Increase Sub-Committee Report – Shane gave an update on the Audit Increase Sub-Committee. The Committee has met twice since the October 25th Meeting to discuss possible ways to decrease the time it takes to get approval on an increase to the salable percentage. The Committee decided that in order to get an increase to the salable percentage effective sooner, in the current political climate in DC, the committee would need to meet earlier in the marketing year to review the current demand and make a decision as whether or not to start the increase process. The group also agreed that it would be to the industries benefit to make yearly trips to DC to educate those in the USDA on how the marketing order works.

Report on Washington DC USDA Meetings – Kene Christensen and Shane Johnson were in Washington DC on February 7-8 and had meetings with congressional offices (Murray, Cantwell, and Newhouse) and the USDA. USDA meetings included meetings with Deputy Administrator Sonia Jimenez and Under Secretary Greg Ibach. The meetings were well received and Kene and Shane were able to answer questions about the order.

REPORT OF EXECUTIVE/BUDGET SUB COMMITTEE

Compliance Plan – The Executive committee reviewed the 2018-19 e-Compliance plan and recommended that the committee accept the plan. Copies were included in the Committee members and alternates packets. A motion was made by Todd Wheeler, and seconded by Ryan Ferguson to approve the 2018-19 e-Compliance plan. Motion passed unanimously.

Market and Promotion Budget- The budget for the Market Research and Promotion Committee was reviewed. The committee recommended by separate action a Market Research and Promotion budget of \$12,000. These funds will be used to travel to Canada, the Mid- West, as well as foreign reports from China. A motion was made by Todd Wheeler, seconded by Ryan Ferguson to approve the Market Research and Promotion Budget as Presented. The Motion passed unanimously.

Full budget- Shane Johnson reviewed the full committee budget as presented by the Executive Sub-Committee (Copy Attached). The proposed budget reflect income of \$194,094.45 and is based on estimated sales for scotch and native made at the October 25, 2017 meeting. Projected expenses of \$232,300.00. These estimates in income and expensed result in a net loss for the year of <\$36,305.55>. A motion was made by Allen Schmid and seconded by Harold McConnell to approve the full budget as presented. Motion passed unanimously.

Assessment Rate- Discussion was held on the 2018-19 Assessment rate. A motion was made by Jay Castle and seconded by Todd Wheeler to set the 2018-19 assessment rate at .09 cents. Motion passed unanimously.

Discussion was held regarding the changes to the 2019-2020 assessment rate (if needed). It was pointed out that changes to the assessment rate are taking longer to publish than we have been used to. It was suggested that if we are going to make a change to the assessment rate, we start the process no later than the October meeting. Shane will continue to monitor the budget and come prepared in October to discuss if a change to the assessment rate is necessary.

Ag Association Management Contract- The contract between the Far West Spearmint Oil Administrative Committee and Ag Association Management is reviewed annually and needs to be approved by the Committee. Staff left the room so that the committee could discuss. A motion was made by Todd Wheeler, seconded by Allen Schmid to accept the contract with Ag Association Management Inc. as presented. The motion passed unanimously.

REVIEW OF CURRENT STATISTICS- Shane Johnson reviewed the current import and export data, the current production, sales and disposition of Far West Scotch and Native and then reviewed Far West production numbers. These and other stats can be found on the Far West website under the Stats tab.

REVIEW OF CURRENT REGULATIONS- Shane Johnson reviewed the current regulations for both Scotch (2017-18 – 36% and 2018-19 – 35%) and Native (2017-18 – 44% + 18% = 62% and 2018-19 – 53%).

The question was asked about the possibility of getting another increase to the 2017-18 Native Saleable percentage before the end of this marketing year. It was noted by Barry Broadbent that given the time the rulemaking process is taking an increase to the 2017-18 Native Saleable percentage was highly unlikely.

Discussion then turned to the potential of increasing the 2018-19 Native Salable percentage. It was decided to evaluate scheduling a meeting at the beginning of the 2018-19 marketing year to consider increasing an increase to the 2018-19 salable percentages. FWS Staff will monitor sales and work with the Handlers to get a better picture of what the trade demand for the 2018 crop year will be. FWS Staff will then work with the FWS Chairman to decide whether or not to call a meeting.

OTHER BUSINESS

FWS Policy and Procedures- Travel Policy. Shane Johnson reviewed the FWS Policy and Procedures for Travel. A motion was made by Jay Castle and seconded by Harold McConnell to approve the changes to the FWS Policy and Procedures for Travel as presented. Motion passed unanimously

NEXT MEETING- The next Administrative Committee meeting was set for October 17, 2018 and will be held at the Red Lion Hotel, Pendleton, OR.

ADJOURNMENT- The meeting was adjourned at 11:07 am.

Submitted by Shane Johnson

Committee member