



MINUTES
Administrative Committee Meeting
Wednesday, October 17, 2018
Red Lion Hotel, Pendleton, OR

Chairman Kene Christensen called the meeting to order at 9:00 am.

I. ROLL CALL – Attending were:

Committee Members: Kene Christensen, Todd Wheeler, Matt Sealock, Ryan Ferguson, Chad Neely (filling in for Member Dave Christensen), Harold McConnell (filling in for member Allen Schmid), Caleb St. Hilaire, and Public Member Jay Castle.

Alternate Committee Members: George Colley, Arnold Martin, Harold Sealock, and Alternate Public Member Nancy Boettcher.

Growers: Marvin Wollman, Matt Lommers, Kevin Boyle, Carson Hoagland, Joe Kosik, Troy Martin, Chris Van Belle, Dan Mills, J.P. Lete, Joey Higginbotham, Ken Schutte, Gary Christensen, Ron St. Hilaire, Robert Schutte, Tony Weitz, Philip Sealock

Handlers: Jeff Johnson, Max Amundson, Gene Schmitt and Rodney Jones–Callisons, Tyler Schilperoort, Rich Schneider and Mark Nelson - AM Todd Co/Wild Flavors, Phil Dufault, Jason Davila, and Lowell Patterson – Labbeemint, Chris Leman, Elijah Perkins –Norwest, Devin Dekker – RCB International, John Cheatham – Lebermuth.

USDA: Barry Broadbent

Others: Rod Christensen

Administration: Shane Johnson, Kim Hatch, Marie Mackay and Sheri Nolan

II. Report on Committee Member and Alternate Nominations

Shane Johnson then gave a report on area nominations. Nominations were as follows:

- District 1, Position 1 – Member: Kene Christensen, Alternate: George Colley
- District 1, Position 3 – Member: Matt Sealock, Alternate: Harold Sealock
- District 1, Position 4 – Alternate: Joe Boisselle
- District 2, Position 5 – Member: Dave Christensen, Alternate: Chad Neeley
- District 3, Position 7 – Member: Caleb St. Hilaire, Alternate: Kim Mills

III. Minutes

Minute's from the July 18, 2018 meeting were reviewed by all. Matt Sealock moved and Ryan Ferguson seconded the motion to accept the minutes of the July 18, 2018 meeting. The motion passed unanimously.

IV. Review and Approval of Current Financial Statements

Shane Johnson reviewed the Statement of Income and Expenses for the period June 1, 2018 through October 15, 2018 (Copy attached). He reported that the income to date totaled \$69,834.92; total expenses to date are \$83,385.52 resulting in net loss of (-\$13,550.60). He also reported that the balance sheet indicated that there is \$33,996.57 in an American West CD, \$52,584.86 in an American West 12 month CD and \$65,293.00 in a Banner Bank account along with \$44,193.02 in a Washington Trust Bank Account, and prepaid insurance, \$1,369.31 for total assets of \$197,436.76. There were no questions on the financial statements and Todd Wheeler made a motion that the financial records be accepted as presented, Jay Castle seconded to accept the financial statements. The motion passed unanimously.

Shane Johnson also presented the check detail, July 17, 2018 thru October 15, 2018. Jay Castle made a motion that the check detail be accepted as presented, Chad Neely seconded to accept the check detail as presented. The motion passed unanimously.

V. New Business

Report on Trips

Shane reviewed the trips that were taken on behalf of the Committee. Harold Sealock and J.P. Lete joined Shane Johnson and Kim Hatch on the trip to Canada this year. The growers felt that they were having an average to slightly above average year.

Chad Neely, Caleb St. Hilaire and Ron St. Hilaire joined Shane on the trip to the Mid-West this year. The group visited the main Native production areas in Indiana and Michigan. Growers were experiencing average, to above average yields.

Review of Statistics:

Shane reviewed the current Far West Spearmint statistics.

Consideration of Class 1 (Scotch) Regulations:

Discussion was held on the 2018-19 Trade Demand. A motion was made by Matt Sealock, seconded by Ryan Ferguson to set the 18-19 Trade Demand at 805,000. The motion passed unanimously.

The committee then agreed to use 805,000 lbs for the Estimated Trade Demand for the 2019-20 year.

Subtracting the estimated carry in on June 1, 2019 of 214,645 lbs. from the estimated 2019 – 2020 trade demand of 805,000 gives an estimated salable quantity needed of 590,355 lbs. Dividing this total by the estimated 2019 – 2020 allotment base of 2,189,688 gives a computed allotment of 27%.

Todd Wheeler moved and Matt Sealock seconded the motion to recommend the 2019-20 salable percentage at 35%. The motion failed 3 to 5.

Caleb St. Hilaire moved and Ryan Ferguson seconded the motion to recommend the 2019-20 salable percentage at 38%. The motion passed 6 to 2. Those voting in opposition felt that the percentage was too high given the current market conditions.

This results in a Computed Salable Quantity of 832,081 which, when added to the Estimated Carry In of 214,645, results in a Total Supply for the 2019 – 2020 of 1,046,726 lbs. with an estimated carry-out on May 31, 2020 of 241,726 lbs.

Discussion was held on the need for a Bona Fide Effort Committee. Arnold Martin, Kene Christensen and Chad Neely. Subsequent to the meeting Gary Christensen and Troy Martin joined the sub-committee.

Consideration of Class 3 (Native) Regulations:

Shane reviewed the Native Stats. It was noted that at each of the Area Grower Meetings a minimum of 2% increase was necessary. An additional increase to the 2% was recommended in some of the Areas.

Discussion was held regarding the need to ask for an additional percentage be added to the 2% increase. After some discussion it was recommended by the Committee that an additional 3% be added to the 2% that is currently going through the process with the USDA. Growers and industry representative will use the comment period to ask for an additional 3%. Todd Wheeler moved and Matt Sealock seconded the motion to request an additional 3% to the 2018-2019 salable percentage. The motion passed unanimously. This action will result in a 5% increase to the 2018-2019 salable percentage once approved by the USDA.

Discussion was then held regarding estimated trade demand for the 2018-19 year. The Committee agreed to use 1,450,000 as the 2018-2019 trade demand.

Discussion was held on the 2019-2020 Trade Demand. A motion was made by Ryan Ferguson, seconded by Matt Sealock to use 1,400,000 for the 2019-2020 Trade Demand. The motion passed unanimously.

Subtracting the estimated carry in of 8,005 lbs. on 6/1/19 from the estimated 2019-2020 trade demand of 1,400,000 lbs. gives an estimated salable quantity needed of 1,391,995 lbs. Dividing this number by the estimated 2019-2020 allotment base of 2,492,523 gives a computed allotment percentage of 55.8%.

Discussion was held regarding the Recommended Allotment Percentage.

A motion was made by Chad Neely, seconded by Ryan Ferguson to set the Recommended Allotment Percentage at 56%. The motion passed unanimously.

This results in a Computed Salable Quantity of 1,395,813 lbs. which, when added to the Estimated Carry In of 8,005 lbs. results in a Total Supply of 1,403,818 lbs. with an estimated carry out on May 31, 2020 of 3,818 lbs.

VI. Next Meeting: Chairman Kene Christensen set the date for the next meeting for February 13, 2019 to be held in Tri-Cities, Location TDB.

VII. Adjournment:

There being no further Todd Wheeler moved and Harold McConnell seconded the motion to adjourn the meeting. The motion passed unanimously. The meeting was adjourned at 11:17 a.m.

Submitted by:

_____ Shane Johnson, Manager

Attested to by:

_____ Committee Member