



MINUTES
Administrative Committee Meeting
Wednesday, October 25, 2017
Red Lion Hotel, Pendleton, OR

Chairman Kene Christensen called the meeting to order at 9:03 am.

I. ROLL CALL – Attending were:

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

Alternate Committee Members: Chad Neeley, Arnold Martin, Matt Sealock, Nancy Boettcher.

Growers: Marvin Wollman, Matt Lommers, Jason Dow, Kevin Boyle, Carson Hoagland, Clay Christensen, Troy Martin, Chris Van Belle, Dan Mills, Larry Wheeler, Matt Lommers, J.P.

Lete

Handlers: Les Toews, Rodney Jones, and Max Amundson –Callisons, Tyler Schilperoort - AM Todd Co/Wild Flavors, Phil Dufault, Del Christensen, and Lowell Patterson – Labbeemint, Chris Leman, Jeremy Russell and Elijah Perkins –Norwest, Devin Dekker – RCB International, John Cheatham – Lebermuth.

USDA: Dale Novotny– N.W. Marketing Field Office, Portland, OR

Others: Rod Christensen

Administration: Shane Johnson, Kim Hatch and Sheri Nolan

Dale Novotny of the USDA Marketing Field Office read the Anti-Trust Guidance Statement to those in attendance.

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

CONSIDERATION OF MINUTES OF FEBRUARY 22, 2017 COMMITTEE MEETING THE JUNE 23, 2017 CONFERENCE CALL AND THE SEPTEMBER 25, 2017 ADMINISTRATIVE COMMITTEE MEETING Allen Schmid moved and Jay Castle seconded the motion to accept the minutes of the February 22, 2017, the minutes of the June 23, 2017 and the September 25, 2017 Administrative Committee meeting as mailed. 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, 2017 through October 20, 2017 (Copy attached). He reported that the income to date totaled \$80,796.13; total expenses to date are \$85,243.28 resulting in net loss of (-\$4,447.15). He also reported that the balance sheet indicated that there is \$177.00 in an American West CD, \$65,228.00 in a Banner Bank account and \$33,928.57 in a Banner Bank 12 month CD. \$52,500.08 in a Banner Bank CD. \$78,873.68 in a Washington Trust Bank Account, and prepaid insurance, \$1,394.65 for total assets of \$232,101.98. There were no questions on the financial statements and Todd Wheeler made a motion that the financial records be accepted as presented Allen Schmid seconded to accept the financial statements. The motion passed unanimously.

Shane Johnson also the check detail, February 17, 2017 thru October 23, 2017. Harold McCommnell made a motion that the check detail be accepted as presented, Jay Castle 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. George Colley and Kim Hatch joined Shane Johnson on the trip to Canada this year. They were not harvesting at the time of the visit. Most of the harvest was completed and the growers felt that they were having an average to slightly above average year.

Allen Schmid and Harold Sealock joined Shane on the trip to the Mid-West this year. The three visited growers in the main producing areas of Michigan, Indiana, and Wisconsin. Yields varied by the production area. In some areas yields were average, while in others yields were down due to wetter than normal summer.

Chad Neeley and Todd Wheeler joined Shane Johnson on visits to the End Users and the USDA. Overall the end users had a positive outlook on spearmint demand for the coming year.

Review of Statistics:

Shane reviewed the current Far West Spearmint statistics.

Consideration of Class I (Scotch) Regulations:

Discussion was held on the 2017-18 Trade Demand. A motion was made by Ryan Ferguson, second by Jay Castle to set the 17-18 Trade Demand at 800,000. The motion passed unanimously.

Estimated Trade Demand for the 2018-19 year. Caleb St. Hilaire moved and Harold Sealock seconded the motion to set this figure at 850,000 lbs. The motion passed unanimously.

Subtracting the estimated carry in on June 1, 2018 of 48,882 lbs. from the estimated 2018 – 2019 trade demand of 850,000 gives an estimated salable quantity needed of 634,243 lbs. Dividing this total by the estimated 2018 – 2019 allotment base of 2,173,315 gives a computed allotment of 29.2%.

A motion was made by Ryan Ferguson seconded by Jay Castle to set the recommended allotment at 35%. This motion carried unanimously. This results in a Computed Salable Quantity of 760,660 which, when added to the Estimated Carry In of 215,757, the resulting Total Supply of 976,417 lbs. with an estimated carry-out on May 31, 2019 of 126,417 lbs.

Discussion was held on Bona Fide Effort. The last time there had been change in the Bona Fide Effort requirement was in 2004. Discussion was held on looking at the rule. It was decided that no action to adjust the Bona Fide Effort was needed at this time.

Consideration of Class 3 (Native) Regulations:

Shane reviewed the Native Stats. During the grower meetings all areas recommended another increase to the 2017-2018 salable percentage.

Discussion was held regarding the 6% increase to the Native Salable that is currently going through rule making. Dale Novotny discussed the process and noted that the Committee would no longer be able to go through the interim rule making process.

Discussion was held on the need for a subcommittee to address the issue of the time needed vs. the need of the mint industry. A motion was made by Todd Wheeler to form a subcommittee to address rule making issues. Harold Sealock seconded. The motion passed unanimously.

Volunteers for the subcommittee were, Nancy Boettcher, Kene Christensen, Rod Christensen, Arnold Martin, and Chad Neeley. *Subsequent to the meeting Troy Martin also volunteered to be on the subcommittee.*

Discussion on an additional 2017-2018 increase was had it was determined that an additional increase was needed.

Discussion was then held regarding estimated trade demand for the 2017-18 year. Harold Sealock made a motion to use 1,500,000 lbs as the estimated trade demand for 2017-18 and the motion was seconded by Caleb St. Hilaire. The motion was withdrawn by Harold Sealock and Caleb St. Hilaire.

More discussion was had on the 2017-2018 Trade Demand. A motion was made by Todd Wheeler to use 1,600,000 for the 2017-2018 Trade Demand, the motion was seconded by Dave Christensen. The motion passed unanimously.

Discussion was held on the additional increase. A motion was made by Dave Christensen to have an additional increase of 12%. The Motion was seconded by Todd Wheeler. The motion passed unanimously.

Discussion was held on the 2018-2019 Trade Demand. A motion was made by Dave Christensen to use 1,375,000 for the 2018-2019 Trade Demand. Ryan Ferguson seconded the motion. The motion was withdrawn by Dave Christensen and Ryan Ferguson.

A motion was made by Jay Castle to change the 2018-2019 Trade Demand to 3 year average of 1,306,605 lbs. Ryan Ferguson seconded the motion. The motion passed unanimously.

Subtracting the estimated carry out of 3,327 lbs. on 5/31/18 from the estimated 2018-2019 trade demand of 1,306,605 lbs. gives an estimated salable quantity needed of 1,303,278 lbs. Dividing this number by the estimated 2018 – 2019 allotment base of 2,467,825 gives a computed allotment percentage of 52.8%.

Discussion was held regarding the Recommended Allotment Percentage.

A motion was made by Harold Sealock to set the Recommended Allotment Percentage at 51%. The motion was withdrawn.

A motion was made by Dave Christensen to set the Recommended Allotment at 53% and seconded by Allen Schmid. The motion passed unanimously.

This results in a Computed Salable Quantity of 1,307,947 lbs. which, when added to the Estimated Carry In of 3,327 lbs. the resulting Total Supply is 1,311,274 lbs. with an estimated carry out on May 31, 2019 of 4,669 lbs.

VI. Next Meeting: Chairman Kene Christensen set the date for the next meeting for February 21, 2018 to be held in Kennewick, WA.

VII. Adjournment:

There being no further Todd Wheeler moved and Ryan Ferguson seconded the motion to adjourn the meeting. The motion passed unanimously. The meeting was adjourned at 12:04 p.m.

Submitted by:

_____ Shane Johnson, Manager

Attested to by:

_____ Committee Member