

# CALIFORNIA DRY BEAN ADVISORY BOARD

and

## VARIETAL COUNCILS

Minutes of Meeting

July 18, 2017

San Joaquin Farm Bureau, Stockton

A meeting of the California Dry Bean Advisory Board was called to order by Chairman Ron Oneto at 9:10 A.M. on Tuesday, July 18, 2017 at the San Joaquin Farm Bureau in Stockton California. Roll was taken showing a quorum was present with the following in attendance:

### Members/Alternates

Steve Azevedo	Chris Capaul
**Chuck Cox	**Ray Davis
*David Giampaoli	Garret Hansen
Larry Kubo	Ron Oneto
Richard Pata	Nelson Parreira
John Pereira	*Roy Pursche
Martin Squires	Jim Wallace
Chad Vander Feer	

### Staff/Guests

Ali Cox, Ali Cox and Company  
Justin Ellerby, CDFA  
John Gilstrap, Assistant Manager  
Denise Graham, Tarke Warehouse  
\*\*\*Ray Perez, Large Lima Council  
Dave Pires, Large Lima Council  
\*\*\*Kyle Robertson, Baby Lima Council  
Nathan Sano, Manager

\*Alternate, \*\*Alternate Acting in Lieu of Member, \*\*\*Varietal Council Member not serving on Board

At this time the Board took a moment to allow for any public comments on the agenda and after hearing none continued with the meeting

### Minutes

Sano reviewed the minutes of the previous meeting of March 16, 2017 and were unanimously approved on a motion by Hansen with a second by Peirera.

### Reports and Activities

Sano provided a brief report on the US Dry Bean Council stating, the summer meeting will be taking place later in the week, July 21-22 in conjunction with the US Dry Bean Conference at Horseshoe Bay, Texas. Ron Oneto will be attending that meeting representing the Board. The USDBC has received all of the 2018 trade mission trip applications which will be discussed and approved at the summer meeting. California had two producers and one handler submit applications for various trade trips. Japan was not included on the list of trade mission trips due to the scheduled reverse trade mission trip to take place next year. Oneto is currently the Chairman of the Bylaws Committee which has submitted three minor changes for approval which needs to be approved by the member organizations prior to USDBC accepting. These minor changes are: 1) writing out the acronym "ADBB" (American Dry Bean Board) for clarification purposes 2) a member will only become effective upon the

date of receipt of dues payment 3) the USDBC will have one annual meeting and “up to three” other Board meetings. With no concerns over these changes, the Board approved.

**Bean Board Action 7/18/17 – 01** – Capaul moved, seconded by Hansen to approve the three minor changes to the US Dry Bean Council by-laws as presented.

MOTION CARRIED UNANIMOUSLY *no abstentions*

The American Pulse Association has elected Ron Oneto to serve on its Board for this next year. Oneto has been involved in a few of the APA activities over the last year and by serving on the Board he will become more involved which could benefit California. The APA has also decided to hold its next meeting in California to provide members of the Board the opportunity to hear about APA activities. A monthly newsletter containing these activities and more is distributed to the Board via email. APA has been working with Buhler to open up a milling facility for pulses which includes beans. This facility could help meet the demand of bean flour companies could use in their processing of different types of foods.

Ali Cox reported on the social media and marketing activities for the year (Exhibit “A” attached). The Board website performance increased dramatically over this last year along with the several @californiabbeans social media platforms. The “Mommy Outreach” and “Dietician Outreach” activities continue to be successful helping draw more attention to Board’s social media. Although the “Chef Outreach” activity experienced some success it has become difficult to find participants to promote. A. Cox expressed interest in continuing the regular marketing and social media activities at the rate of \$2,755 per month, the mommy outreach program and dietician and nutritionist outreach program at \$250 per month each. A. Cox is also proposing a new program to work with bloggers to help create material to promote through social media. This new “Paid Blogger Program” could be variety specific and would cost \$500 per month. This program would consist of working with established bloggers with large followings to increase variety recognition. Cross promotion activities with brand companies in the past have been very successful but require specific attention and additional work. A. Cox would like to establish a new program that focuses on two or three cross promotion activities during the year which would be billed depending on the extent of the activity. Additional promotion activities similar to the New Year’s Day blackeye contest can be requested during the year. A. Cox also mentioned she would be willing to assist the Board in pursuing a national partnership marketing campaign with similar groups throughout the country.

### **Financial Report**

Sano reviewed the financial report (Exhibit “B” attached) stating as of June 30, 2017, the Board has received a total income of \$268,140 consisting of \$173,212 in current year assessment income with \$93,455 in prior year assessment income and \$1,473 of interest income. While the income is short \$49,860 of the projected income of \$318,000 there are a couple months left in the fiscal year to make up the difference. In addition the Board had a carryover of \$197,571 to cover any expenditures if necessary. The current expenditure total is \$160,474 with a majority of the accounts moving along as anticipated leaving a remaining \$110,046 in expenses. Two accounts are currently over budget, the dues and subscriptions account reflects the \$1,000 contribution to the USBC to help cover Kelley Beans expense of funding the nutrition data analysis. The insurance account ran over budget do to an increase in insurance costs. The remaining administration accounts should remain under

budget throughout the rest of the fiscal year. A few accounts such as Management services, domestic promotion, production research and marketing branch will continue to see activity over the next few months. With a current cash balance of \$305,237 the Board is in good financial position and should expect a carryover of \$195,000 into the 2017-18 fiscal year.

**Bean Board Action 7/18/17 – 02** – Squires moved, seconded by Kubo to approve the financial report as presented.

MOTION CARRIED UNANIMOUSLY *no abstentions*

Sano then reviewed the Financial Reports of the Varietal Councils

The Baby Lima Council as of June 30, 2017 (Exhibit “C” attached) has received a total income of \$19,242 consisting of \$11,231 in current year assessment income, \$7,756 in prior year assessment income and \$255 of interest income. With a couple months left in the fiscal year, the Council is \$3,558 short of the projected income of \$22,800. The Council had a carryover of \$30,336 into the current year which provides some flexibility with spending. The current expenditure total is \$11,747 with a remaining \$24,053 in expenses. A majority of the expenses to date reflect the foreign promotion trade mission trip to Japan and the production research. The Council can expect a reimbursement for some of the Japan trade mission trip expenses in the next month to cover some of those costs. The current cash balance is \$37,831 and the Council should see an approximate carryover of \$24,000 into the new fiscal year.

The Blackeye Council as of June 30, 2017 (Exhibit “C” attached) has received a total income of \$20,760 consisting of \$12,039 in current year assessment income, \$7,897 in prior year assessment income and \$824 in interest income. With a couple months left in the fiscal year the Council has already received \$1,960 more than the expected income of \$18,800. The Council had a carryover of \$131,480 into the current year which provides flexibility in spending. The current expenditure total is \$10,117 with a remaining \$13,863 in expenses. A majority of the Councils expenses to date reflect the domestic promotion activity, New Year’s Day blackeye contest conducted by Ali Cox and Company. A majority of the remaining expenditures is the production research which should be paid out in the next few months. With a cash balance of \$142,123, the Council should see an approximate carryover of \$130,000 into the new fiscal year.

The Garbanzo Council as of June 30, 2017 (Exhibit “C” attached) has received a total income of \$17,576 consisting of \$13,828 in current year assessment income, \$3,324 in prior year assessment income and \$424 in interest income. With a couple months left in the fiscal year, the Council has received \$3,276 more than the expected income of \$14,300. The Council had a carryover of \$61,137 into the current year which provides flexibility in spending. The current expenditure total is \$5,890 with a remaining \$13,860 in expenses. A majority of the Councils expenses to date reflect production research which has been partially paid out. With a cash balance of \$72,823, the Council should expect a carryover of \$60,000 into the new fiscal year.

The Large Lima Council as of June 30, 2017 (Exhibit “C” attached) has received a total income of \$18,429 consisting of \$10,778 in current year assessment income, \$7,039 in prior year assessment income and \$612 in interest income. With a couple of months left in the fiscal year, the Council has received \$329 more than the

expected income of \$18,100. The Council had a carryover of \$95,286 into the current year which provides flexibility in spending. The current expenditure total is \$13,436 with a remaining \$30,564 in expenses. A majority of the expenses to date reflect the support of the Alabama Butterbean Festival, San Dieguito Heritage Museum Lima Faire, and production research. Additionally the Council did agree to cover up to \$15,000 of the Gepts lima breeding contract at the previous March meeting despite the production research budget originally set at \$9,000. Despite the remaining expenses, a majority will carryover into the new fiscal year with very little activity in the promotion accounts expected. With a cash balance of \$100,279, the Council should expect a carryover of \$100,000 into the new fiscal year.

The Common Bean Council as of June 30, 2017 (Exhibit "C" attached) has received a total income of \$6,537 consisting of \$4,384 in current year assessment income, \$1,807 in prior year assessment income, and \$346 of interest income. With a couple months left in the fiscal year, the Council is \$1,763 short of the expected income of \$8,300. The Council had a carryover of \$51,984 into the current year which provides flexibility in spending. The current expenditure total is \$1,617 with a remaining \$2,383 in expenses. A majority of the expenses to date reflect support of the UC regent's grain legumes website update. With a current cash balance of \$56,904, the Council should expect a carryover of \$45,000 into the new fiscal year.

#### **2017-18 Preliminary Budget**

Sano reviewed the Board's preliminary budget giving a projected income of \$337,000 based off a 2017 current crop year estimated income of \$224,750 (775,000 cwt.) and a 2016 and prior crop year assessment income of \$105,580 (365,000 cwt.) at the assessment rate of \$0.29 per cwt., with the expected interest income of \$1,400, and Varietal Council Administration Charges of \$5,000. The Board can also expect the estimated carryover of \$195,000, giving the Board and estimated \$532,000 to cover Board expenses and activities. The expenditure accounts are relatively the same as last year with the only possible exception in the domestic promotion account which reflects the Ali Cox and Company contract. The management services expense remains the same as does the several administration accounts including the website. The Board may want to consider adjusting the APA and USDBC accounts as these reflect production and at roughly \$0.01 per cwt may end up at approximately \$11,500. The research production account is set at \$80,000 at this time but will be determined at the spring meeting when the Board meets to discuss the research proposals. The marketing branch and market enforcement branch accounts remain the same. The estimated expenditure total is \$270,720, which would leave the Board an unallocated reserve of \$258,780.

Sano then reviewed the preliminary budgets for the Varietal Councils

The expected total income for the Baby Lima Council is \$18,300 based off a 2017 current crop year estimated income of \$13,500 (150,000 cwt.), a 2016 and prior estimated income of \$4,500 (50,000 cwt.) and interest income of \$300. With a projected carryover of \$24,000 the Council will have available approximately \$42,300 for expenses. The expenditure accounts are the same as last year with a majority focused on foreign promotion and production research. The Council can expect a group from Japan to participate in a reverse trade mission trip to the U.S. mostly funded by the USDBC, however the Council usually incurs its own expenses to budget for. In addition the actual reverse trade mission trip will be taking place in September which follows the current fiscal year, and despite the date these charges will go against the 2017-18 budget. The estimated expenditure

total is \$35,800 leaving an unallocated reserve of \$6,500. The Council may want to consider increasing its assessment rate at some point to reflect the cost of these activities.

The expected total income for the Blackeye Council is \$23,100 based off a 2017 current crop estimated income of \$11,250 (125,000 cwt.), a 2016 and prior estimated income of \$11,250 (125,000 cwt.) and an interest income of \$600. With a projected carryover of \$130,000 the Council will have available approximately \$153,100 for expenses. The expenditure accounts are the same as last year with a majority focused on domestic promotion and production research. With the attention the New Year's Day activity received last year there is interest in funding another project this next year to be determined at a later meeting. The production research account is set aside for the Phil Roberts blackeye improvement project. The estimated expenditure total is \$23,980 leaving an unallocated reserve of \$129,120.

The expected income of the Garbanzo Council is \$20,100 based off a 2017 current crop estimated income of \$18,000 (200,000 cwt.), a 2016 and prior estimated income of \$1,800 (20,000 cwt.), and an interest income of \$300. With a projected carryover of \$60,000 the Council will have available approximately \$80,100 for expenses. The expenditure accounts are the same as last year with a majority focused on production research which is allocated towards the garbanzo breeding and varietal development at UC Davis. The estimated expenditure total is \$19,750 leaving an unallocated reserve of \$80,100.

The expected income of the Large Lima Council is \$32,700 based off a 2017 current crop estimated income of \$32,700 (200,000 cwt.), a 2016 and prior estimated income of \$12,000 (120,000 cwt.), and an interest income of \$700. With a projected carryover of \$100,000 the Council will have available approximately \$132,700 for expenses. The expenditure accounts are the same as last year with a majority focused on promotion and production research. With three different promotion accounts one of which is a reserve, the Council has within its budget available funding to continue with the support for the Alabama Butterbean Festival, San Dieguito Lima Faire, along with any other promotion activities. The production research account reflects funding, allocated for the UC Davis lima breeding research program. The estimated expenditure total is \$50,000 leaving an unallocated reserve of \$82,700.

The expected income of the Common Bean Council is \$12,300 based off a 2017 current crop estimated income of \$12,300 (100,000 cwt.), a 2016 and prior estimated income of \$4,000 (50,000 cwt.), and an interest income of \$300. With a projected carryover of \$45,000 the Council will have available approximately \$57,300 for expenses. The Expenditure accounts are similar to last year with the production research account the only exception as there is no scheduled activity for this account at this time. The estimated expenditure total is \$2,500 leaving an unallocated reserve of \$54,800.

### **Inventory and Movement Reports**

Sano informed the Board of some of the concerns expressed on this years "End of Year" inventory and movement report. Each year warehouses are expected to report to the Board office a current inventory of all varieties to which the Board office will compare with its own tracking of warehouse inventories based off reported dirt weight, estimated cleanouts and movement. Adjustments are then made to reflect the inventory the warehouses report on. These adjustments can be due to cleanout percentages, destruction of beans or mistakes on reporting. At the time of this years "End of Year" report several adjustments were made some of

which are very noticeable which caused concern as this report is used by growers, traders and buyers. Part of the concern is how these adjustments may be portrayed by those using the report. It was suggested that a Committee be put together to discuss options such as third party inventory audits, changing the "End of Year" report to August or additional columns within the report to provide more information to improve the inventory and movement report and possibly avoiding confusion and concern in the future. Oneto agreed to put together a Committee to discuss before the next Board meeting.

#### **California Department of Food and Agriculture**

Ellerby reported that CDFA is currently down to one auditor and is looking to add another in the future to help with the several warehouse audits conducted each year for each of the Marketing Orders.

#### **Food Science Research**

Researchers at Cal Poly, San Luis Obispo are currently working on pasta products using large lima beans. This group should have results on their work later this year. This research is not being funded by the Board, although the beans were donated by one of the warehouses. The findings of the project will be available to the Board.

#### **Other Business**

Over the years there has been concern over foreign product being passed as U.S. product. While the USDBC has committed to country of origin labeling within its position papers, beans are only a small part of the trade agreements that do not require COOL. With countries like Japan looking to implement its own COOL programs, California should again express support of a U.S. COOL program. While the Board does not have the ability to lobby for a COOL program it will have to rely on the USDBC to continue including COOL in its position papers.

#### **Collecting of Assessment and Reporting**

During the Spring Board meeting Ellerby proposed a change to the collecting of assessments (Exhibit "D" attached). Currently all assessments are collected on the shipping of product. While beans are unique in that they can be stored for multiple years, collecting assessments on prior year beans can be complicated for not only the warehouses but for the CDFA auditors who review these transactions. The proposed change would eliminate having to pay assessments on prior year beans by requiring warehouses to pay in full on inventory following the "End of Year" reporting. This change would also simplify the budget projections by creating a more concrete method of determining assessment income for the year. If approved, the changes would be implemented this next year with the 2017 crop.

**Bean Board Action 7/18/17 – 03** – Wallace moved, seconded by Squires to approve the CDFA proposed changes to the "Administrative Rules and Regulations Pertaining to the Collection of Assessments and the Reporting of Information for Statistical Purposes and the Effective Administration of the Dry Bean Research and Marketing Program" which includes the collecting of assessments on all remaining inventory following the "End of Year" report as stated on page 4 of the attached Exhibit "D".

MOTION CARRIED UNANIMOUSLY *no abstentions*

At this time 12:00 P.M., the Board took a break for Lunch resuming the meeting at 1:00 P.M.

**Approval of Board and Varietal Council Budgets 2017-18**

Baby Lima Council Chairman Chris Capaul called to order a Council meeting at 1:00 P.M. with the following in attendance: Chris Capaul, David Giampaoli, John Perreira and Kyle Robertson.

After reviewing the proposed Baby Lima Budget, the Council agreed to a 2017 crop of 175,000 cwt. along with a 2016 and prior year crop of 50,000 cwt. for a total of 225,000 cwt. at the assessment rate of \$0.09 per cwt. for a total projected assessment income of \$20,250. The Council also adjusted a few of the expenditure accounts adding \$2,000 into the domestic promotion account for future considerations, reducing the foreign promotion account to \$10,000, reducing the production research account to \$7,500 and adding \$2,500 into a product research account for future considerations. These adjustments reduced the proposed expenditure budget to \$27,800 which leaves an unallocated reserve of \$16,750.

**Baby Lima Council Action – 7/18/17 – 01** – Robertson moved, seconded by Giampaoli, to approve the Baby Lima Council total crop of 225,000 cwt. at the assessment rate of \$0.09 per cwt., along with the Budget (Exhibit “E” attached) as discussed.

MOTION CARRIED UNANIMOUSLY *no abstentions*

With nothing further to discuss the Baby Lima Council adjourned at 1:10 P.M.

Lacking a quorum the Board discussed the Blackeye proposed budget (Exhibit “E” attached) and agreed to the 2017 crop of 125,000 cwt. along with the 2016 and prior crop of 125,000 cwt. for a total of 250,000 cwt. at the assessment rate of \$0.09 per cwt., for a projected assessment income of \$22,500. The Board also agreed to leave the expenditures the same as last year with a \$10,000 domestic promotion budget for future considerations and production research budget of \$9,980 leaving the total expenditure budget at \$23,980 and an unallocated reserve of \$129,120.

Lacking a quorum the Board discussed the Garbanzo proposed budget (Exhibit “E” attached) and agreed to the 2017 crop of 200,000 cwt. along with a 2016 and prior crop of 2,000 cwt. for a total of 202,000 cwt. at the assessment rate of \$0.09 per cwt., for a projected income of \$18,180. The Board also agreed to leave the expenditures the same as last year with a \$2,250 domestic promotion budget for future considerations and production research budget of \$15,000, leaving a total expenditure budget at \$19,750 and an unallocated reserve of \$58,730.

Large Lima Council Vice Chairman Richard Pata called to order a Council meeting at 1:15 P.M. with the following in attendance: Chuck Cox, Richard Pata, Ray Perez, Dave Pires and Roy Pursche.

After reviewing the proposed Large Lima Budget, the Council agreed to a 2017 crop of 200,000 cwt. along with a 2016 and prior year crop of 120,000 cwt. for a total of 320,000 cwt. at the assessment rate of \$0.10 per cwt. for a total projected assessment income of \$32,000. The Council also adjusted a few of the expenditure accounts decreasing the domestic promotion account to \$500, and the production research account to \$7,500. The Council also discussed and agreed not to contribute to the Alabama Butterbean Festival this year while maintaining the \$1,500 contribution and \$500 prize money to the San Dieguito Lima Faire which will be paid

out of the promotion advertising account along with a new project to fund the Ali Cox and Company “New Paid Blogger” program at the \$500 per month rate. These adjustments reduced the expenditure budget to \$33,000 which leaves an unallocated reserve of \$99,700.

**Large Lima Council Action – 7/18/17 – 01** – Pursche moved, seconded by Pires, to approve the Large Lima Council total crop of 320,000 cwt. at the assessment rate of \$0.10 per cwt., along with the budget (Exhibit “E” attached) as discussed.

MOTION CARRIED UNANIMOUSLY *no abstentions*

With nothing further to discuss the Large Lima Council adjourned at 1:20 P.M.

Lacking a quorum the Board discussed the Common Bean Council proposed budget (Exhibit “E” attached) and agreed to the 2017 crop of 100,000 cwt. along with a 2016 and prior crop of 50,000 cwt. for a total of 150,000 cwt. at the assessment rate of \$0.08 per cwt., for a total projected assessment income of \$12,300. The Board also agreed to leave the expenditures the same as last year with \$1,500 in the production research account for future considerations, leaving a total expenditure budget at \$4,000 and an unallocated reserve of \$53,300.

The Board reviewed the proposed budget (Exhibit “F” attached) and after some adjustments to the projected crop, the Board agreed to a 2017 crop of 800,000 cwt. along with a 2016 and prior year crop of 347,000 cwt. for a total of 1,147,000 cwt. at the assessment rate of \$0.29 per cwt. of which the producer pays \$0.28 per cwt. while the handler pays \$0.01 per cwt., for a total projected assessment income of \$332,630. In addition to the assessment income the Board can expect \$1,400 in interest income and approximately \$5,000 in Varietal Council charges totaling \$339,030 in total income. With an expected \$195,000 in carryover funds, the Board will have approximately \$534,030 for expenses. Looking at the expenditures a majority of the administration accounts remain the same as last year including the management services, production research, marketing branch and market enforcement branch accounts. The domestic promotion account decreased slightly to reflect the new Ali Cox and Company proposal while the USDBC and APA accounts increased to reflect their dues structure of \$0.01 per cwt. The projected expenditure total is \$269,220 which leaves a reserve of \$264,810.

Sano then presented the proposed management contract of Monfort Management Services (Exhibit “G” attached). The proposal is the same as last year, with a set annual fee of \$67,260 broken down into monthly payments of \$5,605. The management activities would be the same as last year with Nathan Sano as manager and John Gilstrap as assistant manager. Sano and Gilstrap then volunteered to leave the room giving the Board a few minutes to discuss the proposal.

Prior to approving the standard resolutions the Board discussed the revised Rachael Long project “*Effect of Seed Moisture Content on Dry Bean Seed Quality*” at the requested funding of \$10,000. Long initially submitted a proposal at the spring meeting where several suggestions from the Board were made to better suit the interest of the industry. At that time the project was not funded, although the Board did agree to put \$10,000 in reserve on the chance Long was able to provide a revised proposal. The Board agreed Long is a valuable contributor to the industry and the project has some value.



**Bean Board Action 7/18/17 – 04** – Hansen moved, seconded by Azevedo, to approve the Rachael Long Project “Effect of Seed Moisture Content on Dry Bean Seed Quality” at the requested \$10,000 to be paid out of the 2016-17 production research account.

MOTION CARRIED UNANIMOUSLY *no abstentions*

**Approval of Standard Resolutions Q1-Q6**

Following a review of the Standard Resolutions Q1-Q6, the Board approved the following.

**Bean Board Action 7/18/17 – 05** – Wallace moved, seconded by Perreira, to approve the following Standard Resolutions Q1-Q6.

**Resolution Q-1: Approving Promotion, Research and P & M D Programs and Budgets for 2017-18**

WHEREAS, the Board budget of expenditures for 2017-18 consists of Promotion, Research, and Varietal Council activities which involve purchases of goods and services, the payment of salaries, and negotiation of agreements and contracts for the purpose of carrying out these activities,

THEREFORE BE IT RESOLVED that the Board Manager be authorized to select those who will receive said payments or salaries and to approve payment thereof, within the limits of the respective programs and budget allocations (if separately presented and approved) and as those programs and budget allocations may be amended by the appropriate standing committee or Varietal Council, and

BE IT FURTHER RESOLVED that when an individual or agency supplies said services under formal contract, that the Board Manager with the Board Chairman be authorized to negotiate, prepare and sign such contracts on behalf of the Board.

**Resolution Q-2: Adopting 2017-18 Estimate of Crop Movement**

WHEREAS, the Board’s staff has used several sources of information regarding the estimated number of sacks of each major variety and miscellaneous varieties of dry beans to be shipped, and therefore assessed in California during the 2017-18 fiscal year,

THEREFORE BE IT RESOLVED that the Board recommend to the Department that the Board’s preliminary budget for the 2017-18 Marketing year be based on total crop movement of 1,147,000 cwt. of re-cleaned assessable dry beans, and that the budgets of the varietal Councils for the same period be based on the following approximate crop shipments:

Baby Lima Varietal Council	125,000
Blackeye Varietal Council	250,000
Garbanzo Varietal Council	202,000
Large Lima Varietal Council	320,000
Common Bean Varietal Council	150,000

**Resolution Q-3: Adopting Rates of Assessments for 2017-18 Marketing Year**

WEHREAS, the Dry Bean Board Program provides that the Board recommend separate and total combined rates of assessment for each marketing season, and

WHEREAS, certain Varietal Councils have recommended special assessments to finance projects for special varietal interest, and

WHEREAS, the Board has considered the estimated expenditures in its preliminary 2017-18 budget and in the budgets of the Varietal Councils,

THEREFORE BE IT RESOLVED that the Board recommend to the Department that during the 2017-18 marketing season, general assessment rates of 1 cent per cwt. be paid by each dealer on the beans received and handled by him, and that 28 cents per cwt. be paid by each producer on all beans produced and prepared for market or marketed by him, for a total combined general assessment rate of 29 cents per cwt; and

BE IT FURTHER RESOLVED that the Board recommend to the Department that special varietal assessment rates be paid by each producer on all beans produced and prepared for market or marketed by him during the 2016-17 marketing season on those varieties listed below as follows:

Baby Limas	\$.09	per cwt.	Blackeyes	\$.07 per cwt.
Large Limas	\$.06	per cwt.	Garbanzos	\$.07 per cwt.
Common Beans	\$.08	per cwt.		

AND, BE IT FURTHER RESOLVED that the Board recommend to the Department that appropriate procedures and form(s) be developed and used by the Department to effectuate the collection of assessments on all lots of dry beans marketed (shipped) regardless of the crop year when actually produced.

**Resolution Q-4: Retaining Monfort Management Services, Inc. to Supply Management and Services for the 2017-18 Season**

WHEREAS, Monfort Management Services, Inc. (MMS) has provided the necessary office facilities and staff services, and the Board Manager has performed in a satisfactory manner, and

WHEREAS, MMS staff members are also involved in the management of other advisory boards or commissions, which allow MMS to minimize the expenses of the involved boards by the sharing of such expense items as multi-purpose trips, memberships, subscriptions, or certain purchases,

THEREFORE BE IT RESOLVED that the department approve the retention of this organization for the 2017-18 Marketing Season to supply all the necessary services required for the operation of the Advisory Board as stated in the MMS Proposal (Exhibit "G" attached). The Board shall compensate MMS at a rate of \$5,605 per month for the duration of the contract.

BE IT FURTHER RESLOVED that when appropriate opportunities arise for cost-sharing with the other boards managed by MMS, the officers of MMS be authorized to pro-rate such shared costs based on a suitable formula calculated to distribute the costs according to the benefit derived by each board involved. This distribution may be on an equal basis, a percentage of using basis, or according to the direct benefit obtained by each board, e.g. as the time spent on a trip.

BE IT FURTHER ESOLVED that the Board recommend that the Department approve establishing a contractual relationship between the Board and MMS covering the provision of the aforementioned services and facilities, and that the Board Chairman be authorized to sign and approve the appropriate invoices involved on behalf of the Board.

**Resolution Q-5: Adoption of 2017-18 Preliminary Budgets**

WHEREAS, it is estimated that there is a carry-over of \$195,000 from the Board's 2016-17 budget, and a carry-over of \$359,000 from the Varietal Councils' 2016-17 budgets and,

WHEREAS, the attached preliminary budget reflects the estimated income and expenditures for the 2017-18 marketing season;

THEREFORE BE IT RESOLVED that the Board recommend approval by the Department of Food and Agriculture of the attached preliminary budgets (Exhibits "F" and "E"), and authorization of the transfer of the estimated total Board and Councils' carry-over of \$554,000 to the respective 2017-18 budgets of the Board and its Councils, and

BE IT FURTHER RESOLVED that the Board recommend the approval by the Department of Food and Agriculture separate budgets for the Baby Lima, Blackeye, Garbanzo, Large Lima, and Common Bean Councils as presented in accordance with recommendations of those Varietal Councils and as approved by the Board, that the income from 2017-18 special assessments on those varieties be credited to the account of the Council of that variety; that the Board be authorized to make expenditures for the benefit of each variety as authorized by that Council and shown in its programs and budget; and that any funds remaining in the account of a Varietal Council after the approved and budgeted obligations are met shall not be disbursed without further action by that Council.

**Resolution Q-6: Retaining Borchardt, Corona and Faeth as Auditors**

WHEREAS, the Department of Food and Agriculture has developed a plan whereby Advisory Boards are to have an annual fiscal and compliance audit, and

WHEREAS, the Department's policy allows Certified Public Auditing firms to complete the compliance audit along with their annual fiscal audits, and

WHEREAS, the firm of Borchardt, Corona and Faeth has been contracting to do the Dry Bean Advisory Board's fiscal audit for the past several years,

NOW THEREFORE BE IT RESOLVED that the Board allow Monfort Management Services to contract with

Borchardt, Corona and Faeth to do the Board's annual financial audit and fiscal and compliance audit for the 2016 fiscal year for a total budget not to exceed \$5,400.

MOTION CARRIED UNANIMOUSLY *no abstentions*

**Future Meetings**

The next scheduled Board meeting will be held on November 15<sup>th</sup> to discuss research priorities. In addition, APA has agreed to hold its next meeting in California on the same day which provides the opportunity for Board members to attend both meetings.

With no further business the meeting was adjourned at 1:40 PM.

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I, Nathan Sano, Manager of the California Dry Bean Advisory Board, do hereby certify that, to the best of my knowledge, the foregoing is a true and correct copy of the minutes of the meeting of the California Dry Bean Advisory Board on July 18, 2017.



Nathan Sano, Manager

# ALI COX & COMPANY

*marketing*

**2017-2018 Proposal  
July 18, 2017**



EXHIBIT "A"

# Website Performance

| TOTAL LIFETIME OF SITE |                       |
|------------------------|-----------------------|
| Aug 2016-Present       | Since 2014            |
| Pageviews 49,984       | Pageviews 127,409     |
| Users 26,791           | Users 56,911          |
| Total Sessions 30,548  | Total Sessions 66,992 |

75% of all Web  
Users were this  
past year!



EXHIBIT "A"

# Social Media Performance

| Medium    | Total Footprint | Special Notes                                           |
|-----------|-----------------|---------------------------------------------------------|
| Pinterest | 1,381 Follows   | An average daily look at our Pinterest boards is 2,273! |
| Facebook  | 13,228 Likes    | Up 133% in 12 months!                                   |
| Instagram | 921 Followers   | Influential tags and followers!                         |
| Twitter   | 1,793 Followers | Great way to promote recipe library!                    |



**Total Social  
Media Contest  
Entries this  
year: 50,813**

EXHIBIT "A"

# Continued (Successful!) Recommendations

## Mommy Outreach

- Continue with “Mommy” specific content
- Involves constant research of mommy bloggers and mommy influencers
- We ran successful mommy blogger contest this year

## Dietician Outreach

- Continue with “Dietician” specific content
- We feature a different dietician and his/her recipe on our website, social and e-newsletter once per month



2016-2017 Proposal

EXHIBIT "A"



# New Program: Paid Blogger Program

- We will develop a streamlined program allowing us to work with professional bloggers with large following on a paid campaign program.
- We're able to tap into out extensive blogger database to select the most meaningful partnerships
- How it would work
  1. Finalize total budget approved – then start the negotiations with selected bloggers!
  2. Determine the specific bean to promote
  3. Review blogger provided recipes
  4. Negotiation fee and placement per recipe/posts/video

| Name                | Website              | Visitors/Month | Pageviews/Month | YouTube Followers |
|---------------------|----------------------|----------------|-----------------|-------------------|
| Alexandra Caspero   | Delish Knowledge     | 80,000+        | 140,000+        |                   |
| Stephanie McKercher | Grateful Grazer      | 15,000+        | 30,000+         |                   |
| Megan Roosevelt     | Healthy Grocery Girl | 15,000+        | 30,000+         | 150,000           |
| Lauren Brennen      | Lauren's List        | 2.5-3M         |                 |                   |
| Meggan Hill         | Culinary Hill        | 438,690+       | 1,200,000+      |                   |



# New Program: Brand Partner Program

- Dedicated brand partnership initiative, with the goal of launching 2-3 marketing partnerships or campaigns within the next 12 months.
- Featured Bean Cross-Promotion Brands – target examples
  - Bush's
  - Goya
  - S&W



EXHIBIT "A"

# Other Promotional Options

- New Years Promotion – Blackeye Council
- Fall Chili Promotion – council opportunity
- Thanksgiving promotion



# 2017-2018 Proposed Budget Extension

| TASK                                                 | FEE PER MONTH                                                   | DESCRIPTION                                                                                                                                                                                                                                             |
|------------------------------------------------------|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>General Social Media Activity</i>                 | <ul style="list-style-type: none"> <li>\$2,755</li> </ul>       | <ul style="list-style-type: none"> <li>Daily posts to Facebook, Twitter, Pinterest and Instagram</li> <li>One blog post per month</li> <li>One social media promotion per quarter</li> </ul>                                                            |
| <b>PROPOSED A LA CARTE OPTIONS FOR 2017/18:</b>      |                                                                 |                                                                                                                                                                                                                                                         |
| Mommy Program                                        | <ul style="list-style-type: none"> <li>\$250</li> </ul>         | <ul style="list-style-type: none"> <li>Identify, target and engage with influential “mommy” journalists and bloggers on Instagram, Twitter, Pinterest and Facebook</li> </ul>                                                                           |
| Dietician & Nutritionist Program                     | <ul style="list-style-type: none"> <li>\$250</li> </ul>         | <ul style="list-style-type: none"> <li>Identify, target and engage with influential nutritionists and bloggers on Twitter, Pinterest and Facebook</li> <li>Continue featuring the dieticians on our blog and e-newsletters</li> </ul>                   |
| New Paid Blogger Program                             | <ul style="list-style-type: none"> <li>\$500 mgt fee</li> </ul> | <ul style="list-style-type: none"> <li>Identify and negotiate deal with each blogger</li> <li>Work with blogger to determine best recipes and cooking processes</li> <li>Confirm budget per month</li> <li>*Does not include fee for blogger</li> </ul> |
| New Brand Partner Program and other Promotional Opps | TBD                                                             |                                                                                                                                                                                                                                                         |

EXHIBIT "A"





# Addendum: Website Demographics

- DEMOGRAPHICS
  - 66.9% are female
  - 33.1% are male
- Ages
  - 18-24 9.55%
  - 25-34 21.9%
  - 35-44 16.93%
  - 45-54 16.2%
  - 55-64 20.02%
  - 65+ 15.38%



**DRY BEAN ADVISORY BOARD****FISCAL YEAR ENDING 7/31/17****June 30, 2017**

| <b>INCOME</b>                      | <b>CARRYOVER</b> | <b>197,571</b> |                |
|------------------------------------|------------------|----------------|----------------|
|                                    | <b>BUDGET</b>    | <b>YTD</b>     | <b>BALANCE</b> |
| 20-110 Current                     | 217,500          | 173,212        | 44,288         |
| 20-111 Prior                       | 94,500           | 93,455         | 1,045          |
| 20-120 Interest Income             | 1,000            | 1,473          | (473)          |
| 20-150 V.C. Administration Charges | 5,000            | -              | 5,000          |
| <b>TOTAL INCOME</b>                | <b>318,000</b>   | <b>268,140</b> | <b>49,860</b>  |

| <b>EXPENSES</b>                     |                |                |                |
|-------------------------------------|----------------|----------------|----------------|
| 20-305 Management Services          | 67,260         | 56,050         | 11,210         |
| 20-315 Audits                       | 5,400          | 5,175          | 225            |
| 20-320 Office Supplies              | 1,500          | 616            | 884            |
| 20-330 Telephone                    | 1,400          | 748            | 652            |
| 20-335 Postage                      | 3,000          | 1,082          | 1,918          |
| 20-345 Dues & Subscriptions         | 500            | 1,200          | (700)          |
| 20-355 Travel & Mileage             | 5,000          | 1,765          | 3,235          |
| 20-356 Travel & Mileage (Promotion) | 6,000          | 1,125          | 4,875          |
| 20-360 Meetings                     | 2,500          | 1,565          | 935            |
| 20-370 Insurance                    | 600            | 797            | (197)          |
| 20-392 Website                      | 2,000          | 692            | 1,308          |
| 20-407 Domestic Promotion           | 49,560         | 39,100         | 10,460         |
| 20-482 US Dry Bean Council          | 10,000         | 8,610          | 1,390          |
| 20-483 American Pulse Association   | 10,000         | 10,000         | -              |
| 20-505 Research Reports             | 1,000          | -              | 1,000          |
| 20-550 Production Research          | 80,000         | 20,032         | 59,968         |
| 20-710 Marketing Branch             | 20,000         | 9,117          | 10,883         |
| 20-711 Market Enforcement Branch    | 4,800          | 2,800          | 2,000          |
| <b>TOTAL EXPENSES</b>               | <b>270,520</b> | <b>160,474</b> | <b>110,046</b> |

|                     |           |                       |
|---------------------|-----------|-----------------------|
| <b>NET INCOME</b>   | <b>\$</b> | <b>107,666</b>        |
| <b>CASH BALANCE</b> | <b>\$</b> | <b><u>305,237</u></b> |

**BABY LIMA COUNCIL**  
**FISCAL YEAR ENDING 7/31/17**

**June 30, 2017**

| <b>INCOME</b>         |                                 | <b>CARRYOVER</b> | <b>30,336</b>    |                |
|-----------------------|---------------------------------|------------------|------------------|----------------|
|                       |                                 | <b>BUDGET</b>    | <b>YTD</b>       | <b>BALANCE</b> |
| 20-110                | Current                         | 13,500           | 11,231           | 2,269          |
| 20-111                | Prior                           | 9,000            | 7,756            | 1,244          |
| 20-120                | Interest Income                 | 300              | 255              | 45             |
| 20-132                | Foreign Promotion Reimbursement | -                | -                | -              |
| <b>TOTAL INCOME</b>   |                                 | <b>22,800</b>    | <b>19,242</b>    | <b>3,558</b>   |
| <b>EXPENSES</b>       |                                 |                  |                  |                |
| 20-309                | V.C. Administration Charges     | 4,000            | -                | 4,000          |
| 20-355                | Travel & Mileage                | 800              | 162              | 638            |
| 20-360                | Meetings                        | 500              | 206              | 294            |
| 20-430                | Promotion Materials             | 400              | 117              | 283            |
| 20-490                | Foreign Promotion               | 15,000           | 4,120            | 10,880         |
| 20-505                | Research Reports                | 100              | -                | 100            |
| 20-550                | Production Research             | 15,000           | 7,143            | 7,858          |
| <b>TOTAL EXPENSES</b> |                                 | <b>35,800</b>    | <b>11,747</b>    | <b>24,053</b>  |
| <b>NET INCOME</b>     |                                 |                  | <b>\$ 7,494</b>  |                |
| <b>CASH BALANCE</b>   |                                 |                  | <b>\$ 37,831</b> |                |

**BLACKEYE COUNCIL**  
**FISCAL YEAR ENDING 7/31/17**

**June 30, 2017**

| <b>INCOME</b>          | <b>CARRYOVER</b> | <b>131,480</b> |                |
|------------------------|------------------|----------------|----------------|
|                        | <b>BUDGET</b>    | <b>YTD</b>     | <b>BALANCE</b> |
| 20-110 Current         | 12,600           | 12,039         | 561            |
| 20-111 Prior           | 5,600            | 7,897          | (2,297)        |
| 20-120 Interest Income | 600              | 824            | (224)          |
| <b>TOTAL INCOME</b>    | <b>18,800</b>    | <b>20,760</b>  | <b>(1,960)</b> |

| <b>EXPENSES</b>                    |               |               |               |
|------------------------------------|---------------|---------------|---------------|
| 20-309 V.C. Administartion Expense | 2,500         | -             | 2,500         |
| 20-355 Travel & Mileage            | 500           | -             | 500           |
| 20-360 Meetings                    | 500           | -             | 500           |
| 20-407 Domestic Promotion          | 10,000        | 10,000        | -             |
| 20-430 Promotion Materials         | 400           | 117           | 283           |
| 20-505 Research Reports            | 100           | -             | 100           |
| 20-550 Production Research         | 9,980         | -             | 9,980         |
| <b>TOTAL EXPENSES</b>              | <b>23,980</b> | <b>10,117</b> | <b>13,863</b> |

|                     |           |                       |
|---------------------|-----------|-----------------------|
| <b>NET INCOME</b>   | <b>\$</b> | <b>10,643</b>         |
| <b>CASH BALANCE</b> | <b>\$</b> | <b><u>142,123</u></b> |



**GARBANZO COUNCIL**  
**FISCAL YEAR ENDING 7/31/17**

**June 30, 2017**

| <b>INCOME</b>          | <b>CARRYOVER</b> | <b>61,137</b> |                |
|------------------------|------------------|---------------|----------------|
|                        | <b>BUDGET</b>    | <b>YTD</b>    | <b>BALANCE</b> |
| 20-110 Current         | 8,400            | 13,828        | (5,428)        |
| 20-111 Prior           | 5,600            | 3,324         | 2,276          |
| 20-120 Interest Income | 300              | 424           | (124)          |
| <b>TOTAL INCOME</b>    | <b>14,300</b>    | <b>17,576</b> | <b>(3,276)</b> |

| <b>EXPENSES</b>                    |               |              |               |
|------------------------------------|---------------|--------------|---------------|
| 20-309 V.C. Administartion Expense | 1,000         | -            | 1,000         |
| 20-355 Travel & Mileage            | 500           | -            | 500           |
| 20-360 Meetings                    | 500           | 26           | 474           |
| 20-407 Domestic Promotion          | 2,250         | -            | 2,250         |
| 20-430 Promotion Materials         | 400           | 117          | 283           |
| 20-505 Research Reports            | 100           | -            | 100           |
| 20-550 Production Research         | 15,000        | 5,747        | 9,253         |
| <b>TOTAL EXPENSES</b>              | <b>19,750</b> | <b>5,890</b> | <b>13,860</b> |

|                     |           |                      |
|---------------------|-----------|----------------------|
| <b>NET INCOME</b>   | <b>\$</b> | <b>11,686</b>        |
| <b>CASH BALANCE</b> | <b>\$</b> | <b><u>72,823</u></b> |

**LARGE LIMA COUNCIL**  
**FISCAL YEAR ENDING 7/31/17**

**June 30, 2017**

| <b>INCOME</b>       |                 | <b>CARRYOVER</b> | <b>95,286</b> |                |
|---------------------|-----------------|------------------|---------------|----------------|
|                     |                 | <b>BUDGET</b>    | <b>YTD</b>    | <b>BALANCE</b> |
| 20-110              | Current         | 15,000           | 10,778        | 4,222          |
| 20-111              | Prior           | 2,400            | 7,039         | (4,639)        |
| 20-120              | Interest Income | 700              | 612           | 88             |
| <b>TOTAL INCOME</b> |                 | <b>18,100</b>    | <b>18,429</b> | <b>(329)</b>   |

  

| <b>EXPENSES</b>       |                             |               |               |               |
|-----------------------|-----------------------------|---------------|---------------|---------------|
| 20-309                | V.C. Administartion Expense | 3,500         | -             | 3,500         |
| 20-355                | Travel & Mileage            | 500           | -             | 500           |
| 20-360                | Meetings                    | 500           | 25            | 475           |
| 20-407                | Domestic Promotion          | 10,000        | 3,560         | 6,440         |
| 20-412                | Promotion (Advertising)     | 10,000        | 2,591         | 7,409         |
| 20-413                | Promotion Reserve           | 10,000        | -             | 10,000        |
| 20-430                | Promotion Materials         | 400           | 117           | 283           |
| 20-505                | Research Reports            | 100           | -             | 100           |
| 20-550                | Production Research         | 9,000         | 7,143         | 1,858         |
| <b>TOTAL EXPENSES</b> |                             | <b>44,000</b> | <b>13,436</b> | <b>30,564</b> |

  

|                     |           |                       |
|---------------------|-----------|-----------------------|
| <b>NET INCOME</b>   | <b>\$</b> | <b>4,993</b>          |
| <b>CASH BALANCE</b> | <b>\$</b> | <b><u>100,279</u></b> |

**COMMON BEAN VARIETAL COUNCIL****FISCAL YEAR ENDING 7/31/17****June 30, 2017**

| <b>INCOME</b>       |                 | <b>CARRYOVER</b> | <b>51,984</b> |                |
|---------------------|-----------------|------------------|---------------|----------------|
|                     |                 | <b>BUDGET</b>    | <b>YTD</b>    | <b>BALANCE</b> |
| 20-110              | Current         | 4,000            | 4,384         | (384)          |
| 20-111              | Prior           | 4,000            | 1,807         | 2,193          |
| 20-120              | Interest Income | 300              | 346           | (46)           |
| <b>TOTAL INCOME</b> |                 | <b>8,300</b>     | <b>6,537</b>  | <b>1,763</b>   |

  

| <b>EXPENSES</b>       |                             |              |              |              |
|-----------------------|-----------------------------|--------------|--------------|--------------|
| 20-309                | V.C. Administartion Expense | 1,000        | -            | 1,000        |
| 20-355                | Travel & Mileage            | 500          | -            | 500          |
| 20-360                | Meetings                    | 500          | -            | 500          |
| 20-430                | Promotion Materials         | 400          | 117          | 283          |
| 20-505                | Research Reports            | 100          | -            | 100          |
| 20-550                | Research                    | 1,500        | 1,500        | -            |
| <b>TOTAL EXPENSES</b> |                             | <b>4,000</b> | <b>1,617</b> | <b>2,383</b> |

  

|                     |           |                      |
|---------------------|-----------|----------------------|
| <b>NET INCOME</b>   | <b>\$</b> | <b>4,920</b>         |
| <b>CASH BALANCE</b> | <b>\$</b> | <b><u>56,904</u></b> |

ADMINISTRATIVE RULES AND REGULATIONS PERTAINING TO THE  
COLLECTION OF ASSESSMENTS AND THE REPORTING OF INFORMATION  
FOR STATISTICAL PURPOSES AND THE EFFECTIVE ADMINISTRATION  
OF THE DRY BEAN RESEARCH AND MARKETING PROGRAM

Made Effective August 8, 1977

Amended ~~May 5, 2014~~ [XXX]

I. General Information. These administrative rules and regulations are issued pursuant to the Dry Bean Research and Marketing Program, ~~(Program)~~, made effective July 15, 1970, with amendments effective through ~~October 10, 2006~~ April 12, 2016. Said Program was issued under provisions of the California Marketing Act of 1937 (~~Act~~) being Chapter 1, of Part 2, Division 21 of the Food and Agricultural Code.

II. Definitions and Interpretation of Terms

A. Definitions and interpretation of terms in these administrative rules and regulations are the same as set forth in the ~~Dry Bean Research and Marketing~~ said Program, Article I, Section A.

B. The ~~Dry Bean Research and Marketing~~ Program does not contain definitions of "dirt weight" or "cleaned weight". For the purpose of these rules and regulations, these terms shall be defined as:

"Dirt weight" means the gross weight of field-run beans received by a warehouseman handler, including any foreign materials or unmarketable beans the lot may contain.

"Cleaned Weight" means the net weight of marketable beans remaining after the lot has been cleaned, sorted, graded or otherwise prepared for marketing.

III. Purpose of These Administrative Rules and Regulations

A. These administrative rules and regulations are established by the ~~Director~~ Secretary of Food and Agriculture (~~Secretary~~) upon recommendation of the Dry Bean Advisory Board (~~Board~~) to facilitate the effective administration, operation and enforcement of the ~~Dry Bean Research and Marketing~~ Program. It is the responsibility of the Board to assist the ~~Director~~ Secretary in the proper administration of the Program. This includes the collection of information and statistics necessary for carrying out this responsibility and reporting to the ~~Director~~ Secretary any failures to comply with or any violations of the provisions of said Program and these administrative rule and regulations.

B. These administrative rules and regulations are established for the following purposes:

1. To prescribe methods and procedures for compliance with and to explain or clarify the provisions of said Program;
2. To prescribe the methods and procedures for the keeping of records and the reporting of same by warehousemen handlers who are directly affected by said Program;
3. To set forth the obligations of warehousemen handlers and prescribe conditions of their compliance with said Program;
4. To provide for proper payment of assessments by producers and handlers as they may be levied pursuant to said Program;

5. To achieve more effective administration of said Program toward the attainment of goals established by the Board to bring about general improvement of the economic and marketing conditions affecting dry beans in general and the specific varieties covered by the Program, and to make dry beans a more valuable and more acceptable food for the general public; and

6. To facilitate the administration and/or enforcement of sales promotion, marketing, research, and quality control programs established by the Board.

#### IV. Records and Reports

A. All warehousemen handlers shall maintain books and records that reflect their operations in relation to the Program, including such records as may be needed to report statistics and information requested by the ~~Director~~Secretary and the Board. Such records shall include documents and books showing (1) receipts, (2) weight certificates, (3) cleaning records, (4) shipments, and (5) inventory of California-produced dry beans handled during the prescribed reporting period.

B. Such records shall be kept for three (3) marketing seasons or until all beans produced in any marketing year have been shipped, whichever period is longer. These records shall be made available to auditors or other designated representatives of the Board and/or ~~Director~~Secretary on request, shall be supported by official receiving, cleaning or shipping documents, and shall be subject to audit or checking by other method, including the making of a physical count of beans stored by a warehouseman handler at the firm's place(s) of business.

C. Each warehouseman handler shall submit at times requested, the reports listed below to the ~~Director~~Board. Information contained in these reports will be kept confidential in accordance with the provisions of the ~~Marketing~~Act.

#### MONTHLY REPORT OF TRANSACTIONS MADE DURING PRECEDING MONTH

1. Within twelve (12) days after each calendar month, each warehouseman handler shall file reports on forms provided for that purpose, showing all transactions at each of that firm's warehouses during the preceding month in dry beans produced in California, ~~regardless of the crop year in which said beans were produced,~~ and showing the following information for each transaction:

a. The "dirt weight" in pounds of each variety of beans received from the field according to weight certificates issued;

b. The total hundred weight (CWT) of beans of each variety shipped or transferred according to weight certificates of bills of lading, minus the hundredweight (CWT) of beans shipped that were produced in years other than the current crop year;

c. The net hundredweight (CWT) of each variety of ~~current-year~~ beans on which assessments are being paid, the applicable rates of assessment per CWT, and the amount of current assessments due; and

d. The hundredweight (CWT) deducted for shipments or transfers of beans grown in prior crop years or on which assessments have already been paid. Shipments or transfers of beans grown in prior crop years shall be reported on another form supplied for that purpose, the applicable rates of assessments entered, calculated and the amount due remitted as instructed on the form.

e. The remaining inventory on hand, reported in hundredweight (CWT), for each variety of beans grown in all crop years (current and prior) currently stored in the warehouse. Clean weight may be estimated for beans on hand that have yet to be cleaned, sorted, graded or otherwise prepared for marketing. *(Added May 5, 2014)*

2. Due Date. To avoid penalties as authorized by the Marketing Act, the monthly report of transactions must be filed with the DirectorBoard no later than the twelfth of the month following the month covered by the report, or, when the twelfth falls on a holiday, no later than on the first working day following the twelfth. Reports postmarked by the 12th of the month or earlier will be accepted as filed on time.

#### ANNUAL INVENTORY REPORT AND ~~OPTION TO PREPAY ASSESSMENT~~ PAYMENT OF ASSESSMENTS

1. Annual Inventory Report. Within twelve (12) days after the close of each marketing season on July 31, each warehouseman handler shall submit a report on forms provided for that purpose, showing the hundredweight of each variety of beans cleaned in each warehouse operated by such firm during the marketing season just concluded, and the hundredweight (CWT) of each variety remaining on hand in each warehouse regardless of the year in which the beans were produced, as of the opening of business on August 1. Any uncleaned beans remaining in inventory must be reported on a supplemental statement.

2. Option to Prepay Assessments. ~~A warehouseman handler may exercise the option of prepaying~~ Payment of Assessments. Warehouseman handlers must pay the assessments on all varieties of beans from all crop years remaining on hand in any of that firm's warehouses. ~~If this option is exercised, it must cover all varieties of beans from all crop years remaining on hand as of August 1, in the warehouse for which the option is exercised.~~ The amount of assessments due and being prepaid shall be reported on a form provided for that purpose. Any assessments already paid or prepaid may be deducted from the prepayment remittance if such deductions are properly noted on the prepayment form.

3. Due Date. The Annual Inventory Report form ~~(and the prepayment~~ of assessment ~~supplement to that form, if the prepayment option is exercised)~~ must be properly filled out and filed with the DirectorBoard or postmarked by the twelfth (12) of August or no later than the first working day following the twelfth when the twelfth falls on a holiday, to avoid penalties for late filing as provided in these regulations and the Marketing Act. Reports bearing a postmark of August 12th or earlier will be accepted as having been received by the due date.

#### TRANSFERS BETWEEN HANDLERS WHEN NO MOVEMENT TO MARKET OCCURS

1. Within twelve (12) days after the end of each calendar month, each receiving warehouseman handler shall file a report on forms provided for that purpose, showing receipts during the preceding month involving movement of beans by variety from one handler to another where the ownership of the beans involved remains the same or is transferred to another handler, broker or other intermediary of the bean trade.

2. Information to be reported on such transactions shall include the following for each lot received:

a. The name and address of the handler to whom the beans have been transferred;

and

b. The hundredweight (CWT) of beans received by variety- "dirt weight" if the beans have not been cleaned, "cleaned weight" if the beans have already been prepared for market; and

c. The purpose of the transfer-sale to a broker, dealer or other trader for additional cleaning, blending, sorting or other preparation for market.

3. Instructions for Recording and Calculating Inter-Handler Transfers Recording. The handler making the transfer shall remove the quantity shipped from the firm's inventory records and the receiving handler shall add the quantity to that firm's inventory. If any portion of the transferred lot is on hand on the following August 1, the date the Annual Inventory Report is filed, the hundredweight remaining shall be included in that report. Shipment or other movement to market of all or portions of such beans shall be reported on the monthly report of transactions and any assessments due thereon be paid at the time the monthly assessment report is filed. If assessments have been prepaid or paid by a previous owner or handler, this fact should be noted on the assessment report form.

Uncleaned Beans. If the lot transferred has not been cleaned or otherwise prepared for market at the time of transfer; the handler shipping the beans shall not include the quantity in the annual report of beans cleaned during the year. If the receiving warehouse prepares the beans for market, the quantity should be included in the annual report of beans cleaned.

Calculation and Payment of Assessments. The handler shipping or transferring the beans is responsible for collecting and remitting at the time of shipment or transfer all assessments applicable to the lot shipped or transferred. If the beans are sold to a dealer, the shipping handler should collect and remit any applicable dealer assessment due. If the identity of the dealer is not known at the time of shipment or transfer, it shall be the responsibility of the shipping handler to remit the dealer assessment and collect it from the dealer when that dealer's identity is established.

**Comment [MR1]:** It seems inappropriate that the shipping handler would be obligated to remit the dealer's assessment to the Board before the dealer pays the handler for the beans.

Calculation of Assessments on Dirt Weight shipments. If the beans being transferred from one handler to another have not yet been cleaned or finally prepared for market, the transferring (shipping) handler shall calculate the assessments due at the time of transfer on the basis of the "dirt weight" less 10%. If the cleanout is estimated to be substantially greater than 10%, the transferring (shipping) handler shall present satisfactory evidence of the higher estimate with the payment.

**Comment [JBE2]:** Huh... this isn't \*explicit\* about when remittance happens, but it sounds to me like inter-handler transfers are \*already\* supposed to be "prepaid." Need to ask Nathan.

#### IV. Actions or Penalties for Late Payment or Violations

A. Action for Late Payment of Assessments. Ten percent of the amount due shall be added to any assessment not received by the due date specified in these rules and regulations, unless otherwise ordered by the ~~Director~~Secretary and the Board. Additionally, five percent of the unpaid balance shall be added for each 30 days the assessments due are unpaid. (*Amended May 5, 2014*)

B. Penalties for Violations. Violations of these rules and regulations, the Dry Bean Research and Marketing Program, or the California Marketing Act of 1937, are subject to civil penalty actions in an amount not to exceed \$2,500 for each and every violation plus costs, unless otherwise ordered by the ~~Director~~Secretary and the Board. (*Amended May 5, 2014*)



## California Dry Bean Advisory Board

## Baby Lima Council

**Budget**  
2017-18 Budget

ESTIMATED INCOME

|                                |                |            | <b>2017-18<br/>Budget<br/>Accepted</b> |
|--------------------------------|----------------|------------|----------------------------------------|
| Assessment Income              |                |            |                                        |
| 2017 Crop                      | 175,000 bags @ | 0.09 cents | \$15,750                               |
| 2016 & Prior Crop              | 50,000 bags @  | 0.09 cents | 4,500                                  |
| Foreign Promotion Reimbursment |                |            |                                        |
| Interest Income                |                |            | 300                                    |
| Income                         |                |            | 20,550                                 |
| 2016-17 Budget Carryover       |                |            | 24,000                                 |
| <b>TOTAL INCOME</b>            |                |            | <b>\$44,550</b>                        |

ESTIMATED EXPENDITURES

| Acct.<br>No.'s | Name                                    |                 |
|----------------|-----------------------------------------|-----------------|
| 309            | Administrative Expenses                 | \$4,000         |
| 355            | Travel & Mileage                        | 800             |
| 360            | Meetings                                | 500             |
| 407            | Domestic Promotion                      | 2,000           |
| 430            | Promotion Materials                     | 400             |
| 490            | Foreign Promotion                       | 10,000          |
| 505            | Research Report                         | 100             |
| 550            | Production Research                     | 7,500           |
|                | Product Research                        | 2,500           |
|                | Total Projected Expenditures            | <b>\$27,800</b> |
|                | Unallocated Reserve                     | <b>16,750</b>   |
|                | <b>TOTAL EXPENDITURES &amp; RESERVE</b> | <b>\$44,550</b> |



**California Dry Bean Advisory Board**

**Blackeye Council**

**Budget**  
**2017-18 Budget**

ESTIMATED INCOME

|                                |                |            | <b>2017-18<br/>Budget<br/>Accepted</b> |
|--------------------------------|----------------|------------|----------------------------------------|
| Assessment Income              |                |            |                                        |
| 2017 Crop                      | 125,000 bags @ | 0.09 cents | \$11,250                               |
| 2016 & Prior Crop              | 125,000 bags @ | 0.09 cents | 11,250                                 |
| Foreign Promotion Reimbursment |                |            |                                        |
| Interest Income                |                |            | <u>600</u>                             |
| Income                         |                |            | 23,100                                 |
| 2016-17 Budget Carryover       |                |            | <u>130,000</u>                         |
| <b>TOTAL INCOME</b>            |                |            | <b>\$153,100</b>                       |

ESTIMATED EXPENDITURES

| Acct.<br>No.'s                          | Name                    |                  |
|-----------------------------------------|-------------------------|------------------|
| 309                                     | Administrative Expenses | \$2,500          |
| 355                                     | Travel & Mileage        | 500              |
| 360                                     | Meetings                | 500              |
| 407                                     | Domestic Promotion      | 10,000           |
| 430                                     | Promotion Materials     | 400              |
| 505                                     | Research Report         | 100              |
| 550                                     | Production Research     | <u>9,980</u>     |
| Total Projected Expenditures            |                         | <b>\$23,980</b>  |
| Unallocated Reserve                     |                         | <u>129,120</u>   |
| <b>TOTAL EXPENDITURES &amp; RESERVE</b> |                         | <b>\$153,100</b> |

## California Dry Bean Advisory Board

### Garbanzo Council

#### Budget

2017-18 Budget

#### ESTIMATED INCOME

|                                |                          |            | <b>2017-18<br/>Budget<br/>Accepted</b> |
|--------------------------------|--------------------------|------------|----------------------------------------|
| Assessment Income              |                          |            |                                        |
| 2017 Crop                      | 200,000 bags @           | 0.09 cents | \$18,000                               |
| 2016 & Prior Crop              | 2,000 bags @             | 0.09 cents | 180                                    |
| Foreign Promotion Reimbursment |                          |            |                                        |
| Interest Income                |                          |            | <u>300</u>                             |
|                                | Income                   |            | 18,480                                 |
|                                | 2016-17 Budget Carryover |            | <u>60,000</u>                          |
|                                | <b>TOTAL INCOME</b>      |            | <b>\$78,480</b>                        |

#### ESTIMATED EXPENDITURES

| Acct.<br>No.'s | Name                                    |                      |
|----------------|-----------------------------------------|----------------------|
| 309            | Administrative Expenses                 | \$1,000              |
| 355            | Travel & Mileage                        | 500                  |
| 360            | Meetings                                | 500                  |
| 407            | Domestic Promotion                      | 2,250                |
| 430            | Promotion Materials                     | 400                  |
| 505            | Research Report                         | 100                  |
| 550            | Production Research                     | <u>15,000</u>        |
|                | Total Projected Expenditures            | <b>\$19,750</b>      |
|                | Unallocated Reserve                     | <u><b>58,730</b></u> |
|                | <b>TOTAL EXPENDITURES &amp; RESERVE</b> | <b>\$78,480</b>      |

## California Dry Bean Advisory Board

### Large Lima Council

#### Budget

2017-18 Budget

#### ESTIMATED INCOME

|                                 |                          |            |  | <b>2017-18<br/>Budget<br/>Accepted</b> |
|---------------------------------|--------------------------|------------|--|----------------------------------------|
| Assessment Income               |                          |            |  |                                        |
| 2017 Crop                       | 200,000 bags @           | 0.10 cents |  | \$20,000                               |
| 2016 & Prior Crop               | 120,000 bags @           | 0.1 cents  |  | 12,000                                 |
| Foreign Promotion Reimbursement |                          |            |  |                                        |
| Interest Income                 |                          |            |  | <u>700</u>                             |
|                                 | Income                   |            |  | 32,700                                 |
|                                 | 2016-17 Budget Carryover |            |  | <u>100,000</u>                         |
|                                 | <b>TOTAL INCOME</b>      |            |  | <b>\$132,700</b>                       |

#### ESTIMATED EXPENDITURES

| Acct.<br>No.'s | Name                                    |                  |
|----------------|-----------------------------------------|------------------|
| 309            | Administrative Expenses                 | \$3,500          |
| 355            | Travel & Mileage                        | 500              |
| 360            | Meetings                                | 500              |
| 407            | Domestic Promotion                      | 500              |
| 412            | Promotion Advertising                   | 10,000           |
| 413            | Promotion Reserve                       | 10,000           |
| 430            | Promotion Materials                     | 400              |
| 505            | Research Report                         | 100              |
| 550            | Production Research                     | <u>7,500</u>     |
|                | Total Projected Expenditures            | <b>\$33,000</b>  |
|                | Unallocated Reserve                     | <u>99,700</u>    |
|                | <b>TOTAL EXPENDITURES &amp; RESERVE</b> | <b>\$132,700</b> |

## California Dry Bean Advisory Board

### Common Bean Council

#### Budget 2017-18 Budget

#### ESTIMATED INCOME

|                                 |                |            | <b>2017-18<br/>Budget<br/>Accepted</b> |
|---------------------------------|----------------|------------|----------------------------------------|
| Assessment Income               |                |            |                                        |
| 2017 Crop                       | 100,000 bags @ | 0.08 cents | \$8,000                                |
| 2016 & Prior Crop               | 50,000 bags @  | 0.08 cents | 4,000                                  |
| Foreign Promotion Reimbursement |                |            |                                        |
| Interest Income                 |                |            | <u>300</u>                             |
| Income                          |                |            | 12,300                                 |
| 2016-17 Budget Carryover        |                |            | <u>45,000</u>                          |
| <b>TOTAL INCOME</b>             |                |            | <b>\$57,300</b>                        |

#### ESTIMATED EXPENDITURES

| Acct.<br>No.'s                          | Name                    |                      |
|-----------------------------------------|-------------------------|----------------------|
| 309                                     | Administrative Expenses | \$1,000              |
| 355                                     | Travel & Mileage        | 500                  |
| 360                                     | Meetings                | 500                  |
| 430                                     | Promotion Materials     | 400                  |
| 505                                     | Research Report         | 100                  |
| 550                                     | Production Research     | <u>1,500</u>         |
| Total Projected Expenditures            |                         | <b>\$4,000</b>       |
| Unallocated Reserve                     |                         | <u><b>53,300</b></u> |
| <b>TOTAL EXPENDITURES &amp; RESERVE</b> |                         | <b>\$57,300</b>      |

# California Dry Bean Advisory Board

## 2017-18 Budget

### ESTIMATED INCOME

|                     |                         |            | <b>2017-18<br/>Budget<br/>Accepted</b> |
|---------------------|-------------------------|------------|----------------------------------------|
| Assessment Income   |                         |            |                                        |
| 2017 Crop           | 800,000 bags @          | 0.29 cents | \$232,000                              |
| 2016 Crop & Prior   | 347,000 bags @          | 0.29 cents | 100,630                                |
| Interest Income     |                         |            | 1,400                                  |
| V.C. Admin. Charges |                         |            | 5,000                                  |
|                     |                         |            | <hr/>                                  |
|                     | Income                  |            | 339,030                                |
|                     | Previous Year Carryover |            | 195,000                                |
|                     | <b>TOTAL INCOME</b>     |            | <hr/> <b>\$534,030</b>                 |

### ESTIMATED EXPENDITURES

| Acct.<br>No.'s | Name                                    |                  |
|----------------|-----------------------------------------|------------------|
| 305            | Mangement Services                      | \$67,260         |
| 315            | Audits                                  | 5,400            |
| 320            | Office Supplies                         | 1,500            |
| 330            | Telephone                               | 1,400            |
| 335            | Postage                                 | 3,000            |
| 345            | Dues & Subscriptions                    | 500              |
| 355            | Travel & Mileage                        | 5,000            |
| 356            | Travel & Mileage (Promotion)            | 6,000            |
| 360            | Meetings                                | 2,500            |
| 370            | Insurance & Taxes                       | 800              |
| 392            | Website                                 | 2,000            |
| 407            | Domestic Promotion                      | 45,060           |
| 413            | Promotion Reserve                       | 0                |
| 482            | U.S. Bean Council                       | 11,500           |
| 483            | American Pulse Association              | 11,500           |
| 505            | Research Report                         | 1,000            |
| 550            | Production Research                     | 80,000           |
| 710            | Marketing Branch                        | 20,000           |
| 711            | Market Enforcement Branch               | 4,800            |
|                |                                         | <hr/>            |
|                | <b>TOTAL EXPENDITURES</b>               | <b>\$269,220</b> |
|                | Reserve for Contingencies               | 2,500            |
|                | Unallocated Reserve                     | 262,310          |
|                |                                         | <hr/>            |
|                | <b>TOTAL EXPENDITURES &amp; RESERVE</b> | <b>\$534,030</b> |



July 6, 2017

California Dry Bean Advisory Board  
7407 Grenfell Court  
Elk Grove, CA 95758

**RE: Proposal to Provide Personnel, Office Space and Equipment  
for the Management of the California Dry Bean Advisory Board**

Dear Dry Bean Board Members & Alternates,

We are pleased to offer the staff and facilities of Monfort Management Services, Inc. to manage the California Dry Bean Advisory Board for the 2017-18 fiscal year beginning August 1, 2017. We have enjoyed our working relationship with the Board and its officers and are proposing that the management contract be renewed for the 2017-18 fiscal year.

Our quotation for the 2017-18 fiscal year for management and clerical service is based on continuing with the same services as supplied under the previous contract.

Proposal for Fiscal 2017-18

Monfort Management Services, Inc. agrees to furnish the services of Nathan Sano as Manager, with John Gilstrap as Assistant Manager and Austin Hurtado as Account Supervisor/Controller of your Board for a period of one year beginning with approval by the California Department of Food and Agriculture of a formal contract. In addition, we agree to provide office services, including office space, equipment and personnel as needed during the contractual period.

The managerial duties and services shall include, but not necessarily be limited to the following:

Conducting liaison with industry and contractors; collecting assessments, scheduling and coordinating committee and Board meetings; preparing and distributing meeting notices, agenda and proceedings; compiling, editing and distributing annual, interim and informational reports; processing proposals and preparing contracts, payables and travel claims; conducting correspondence; maintaining adequate records and files; and travel as required by the above activities.

Services of personnel and use of office space and equipment will be provided to the extent needed by Monfort Management Services, Inc. acting as an independent annual contractor operating under Advisory Board contracts and the policy manual of the Marketing Branch of the California Department of Food and Agriculture for a total annual fee of \$67,260 payable monthly at a rate of \$5,605, which is the same as last year.

It is understood that:

- The fee covers services of Monfort Management Services, Inc. personnel in whatever capacity and to whatever extent needed, within reasonable limits, as to the amount of time involved.
- The Management services fee includes all standard office equipment as necessary with the exception of the copier and the fax which will be billed separately per page at \$0.05 for black and white, and \$0.10 for color. The fee also covers the use of the MMS postage meter, but postage and shipping charges will be borne by the Board.
- The fee covers the use of the Monfort Management Services' communications system. Monthly charges for communication services will be paid directly by the Board.
- Office supplies used solely for the Board and all other operating and travel expenses, including rental of other than standard office equipment are not covered by the fee. They are to be paid for by the Board in accordance with its approved budget and the Rules and Regulations of the Department of Food and Agriculture.

Summary:

This proposal is based on our appraisal of your present requirements for personnel, space and equipment as indicated by information gathered during our previous period of management. We would prefer to continue our practice of having at least two members of our staff present at each Board or Committee meeting so that more than one person is acquainted with the Board's operations. If your Board agrees, there will be no additional charge for personnel, but we would ask the Board to pay the travel expenses of individuals when we think it necessary to provide more effective continuing services. If you have any questions about our proposal and the personnel involved, please call us. We are looking forward to the opportunity of continuing to serve your Board during the coming year.

Sincerely,

JD Allen  
President