

# CALIFORNIA DRY BEAN ADVISORY BOARD

and

## VARIETAL COUNCILS

Minutes of Meeting

March 16, 2017

San Joaquin Farm Bureau, Stockton

A meeting of the California Dry Bean Advisory Board was called to order by Chairman Ron Oneto at 9:08 A.M. on Tuesday March 16, 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
*Larry Chesini	*Chuck Cox
*David Giampaoli	Garret Hansen
Larry Kubo	Ron Oneto
Richard Pata	Nelson Parreira
John Pereira	Stephen Perez
*Roy Pursche	David Richter
Martin Squires	Chad Vander Feer
*Myron Yamasaki	

### Staff/Guests

Ali Cox, Ali Cox and Company  
Justin Elleby, CDFA  
John Gilstrap, Assistant Manager  
Paul Gepts  
Rachael Long, UCCE Yolo County  
Antonia Palkovic, UC Davis  
\*\*Ray Perez, Large Lima Council  
Phil Roberts, UC Riverside  
\*\*\*Kyle Robertson, Baby Lima Council  
Nathan Sano, Manager  
Jane Townsend, CA Bean Shippers

\*Alternate, \*\*Member of Varietal Council not Serving on Board

### Vacancies

Sano informed the Board of the vacant handler position left by the retirement of Gary Lockett of Cal Bean and Grain. The CA Bean Shippers Association has recommended Chad Vander Feer, Gary's replacement at Cal Bean and Grain to take his handler position on the Board.

**Bean Board Action 3/16/17 – 01** – Kubo moved, seconded by Hansen to accept the CA Bean Shippers recommendation of Chad Vander Feer filling the vacant shipper position on the Board

MOTION CARRIED UNANIMOUSLY *no abstentions*

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

### Minutes

On a motion by S. Perez with a second by Richter the minutes of the previous meeting of November 16, 2016 were approved on a near unanimous decision with only one abstention from Squires.

## Research

Gepts updated the Board on his 2016 research projects (full reports available at the Board office or website [www.calbeans.org](http://www.calbeans.org)) using a PowerPoint Presentation. Two new baby lima types show a lot of promise and are comparable to Haskell. These two types as well as others have been planted in trials to observe lygus resistance in treated and untreated plots. The untreated plots will provide information on types that may have a natural resistance to lygus. Once these varieties are identified, additional studies should provide information on what these varieties are producing or doing differently that creates the lygus resistance which can later be used in future breeding. As more data is collected in lygus resistance, this can then be passed into the breeding of large lima beans.

The two garbanzo varieties Vega and Pegasus are close to being released. The University is currently waiting on the Plant Variety Protection (PVP) approval. This approval will determine the cost of the seed when purchased through the University and the percent share with USDA since these varieties were initially established and provided by USDA and are part of their core collection. Another series of observation trials are being conducted to identify varieties from the USDA core collection to cross with sutter to establish varieties more attuned to California.

Gepts submitted a proposal to continue the lima breeding research at \$57,140 and the garbanzo breeding research at \$23,573 for a total of \$80,713.

All garbanzo and lima beans are included in nematode trials to gauge resistance.

A common bean project being funded by USDA to observe several varieties is part of a cooperative nursery being conducted at 15 locations throughout the U.S. This trial may provide data of varieties that could perform well in California.

Roberts reviewed his 2016 blackeye varietal improvement project (full report available at the Board office and website) using a PowerPoint Presentation. Although nematode resistance is the priority, the several types within the program are also tested for aphid and fusarium resistance while available types are such as CB 50 and 46 are being crossed for aphid resistance. Trials were set up in four different grower fields to provide comparisons that cannot be emulated in secluded University plots. While observing several possible new lines, one stands out with a lot of possibility and is comparable to CB46 in size and color. This new line could be submitted to begin the release process soon. Roberts would like to add observation trials in the northern San Joaquin Valley in the future but will require assistance from the cooperative extension in the area.

Roberts submitted a proposal to continue the blackeye varietal development at \$19,960.

Long informed the Board that the UCANR website <http://beans.ucanr.edu/> has been updated and can be a great source of information to the industry. Working with farm advisor Michelle Leinfelder-Miles, blog posts focused on the bean industry will be uploaded throughout the year and anyone can subscribe to receive updates. The Common Bean Council provided a contribution to assist in the sites construction which is now much more manager friendly. In addition to the website, Long is in the process of updated the IPM guidelines for California beans which will also be available on the site once completed.

Long then quickly reviewed the herbicide trial in garbanzo beans (full report available at the Board office and website). A majority of the materials proved to show similar results to previous studies and while a couple of materials show promise they are not available to the industry at this time. A few incidents of disease was brought to the attention of the Yolo County Cooperative Extension. The initial reaction to the disease was it could be Phytophthora or possibly Pythium but neither was confirmed.

During the fall meeting the Board expressed interest in a seed germination project as several incidents of low germinating seed was reported. Long submitted a proposal to establish a plot at UC Davis to analyze germ of seed with varying moisture. The Long proposal total is \$10,000.

It was suggested that Long consider working with the warehouses on obtaining seed to initiate the germ testing as a majority of the information such as harvest date and seed moisture are already available.

Interest was expressed in looking at pinquito beans which had been grown on the coastal regions in the past. In addition to pinquito beans, a low growing garbanzo bush type would also be of interest to coastal growers. Although low growing garbanzo plants haven't been targeted in the observation trials, drought tolerant types have and could provide value in the future of the garbanzo breeding program.

As the two new garbanzo varieties approach release the UC is looking for input on the pricing of sold seed. The current UC recommendation is \$0.12 per pound outside of California and \$0.06 per pound within California. This charge in theory assists with University expenses.

It was recommended by the Board to keep the \$0.12 per pound charge for seed sold outside of California and drop the within California charge to \$0.04 per pound which would give California growers more of an advantage for purchasing the seed they assisted in establishing with their assessments paid to the Board for funded research.

Sano informed the Board of the continued interest of the Food Science Department at Cal Poly to conduct functionality research on behalf of the California bean industry. Recently the department requested 100 pounds of large lima beans to initiate a few projects of their own. The group at Cal Poly would be willing to host a group from the Board at any time to learn more about the functionality process. There is also the possibility of having someone attend a future meeting to present their interest in working with the Board on future projects.

### **Financial Report**

Sano reviewed the Board's 2015-16 financial report (Exhibit "A" attached) stating the February 2017 report reflects the expenses from the previous fiscal year which ended in September 2016. The Board received a total income of \$261,080 which was \$48,400 less than the projected \$309,480. Both the current year and prior year assessment income fell well short of the projections which could reflect the difficult 2015 production year. The interest income showed some improvement exceeding the projected \$1,000 by \$496 while the Varietal Council administration expenses fell short of the projected \$5,000 by \$1,062 which is due to the Board taking over more of the industry activities. The majority of the expenditure accounts fell within budget while a few such as the audits, office supplies, travel and mileage and American Pulse Association accounts exceeded their budgets. These accounts, with the exception of the APA account fall more towards administration type charges that can vary each year depending on the activities. The APA membership is based off production at \$0.01 cwt and the budget was set using a base \$1M cwt., which fell below the actual production. The remaining accounts fell

within budget with nothing standing out as unusual. The remaining budget within the domestic promotion account reflects a few of the Varietal Councils agreeing to cover some of those expenses to show support of the social media activities. With the change in fiscal year, the production research account is not in sync with the timing of when some of the research takes place. A portion of the remaining production research budget is committed to the garbanzo breeding program at UC Davis which because of the growing season is just beginning now. Taking into consideration the project has already been approved despite the fiscal year having ended, the Board may want to consider adjusting the project spending be moved into the current year budget for bookkeeping purposes.

Sano then reviewed the Board's current fiscal year financial report (Exhibit "B" attached) stating as of February 28, 2017 the Board has received a total income of \$141,493 which consists of \$104,126 in current year assessment income, \$36,525 of prior year crop assessment income and \$841 in interest income. While the income is short \$176,507 of the projected income of \$318,000 the Board's is only halfway through the fiscal year. In addition the Board had a carryover of \$198,471 to help cover the expenditures if necessary. The current expenditure total is \$56,004 with nothing standing out as unusual. Part of the remaining \$185,031 in projected expenditures is the \$80,000 budgeted in the production research account. This account is set up to cover any of the research approved at this or in future meetings. The Board has a current cash balance of \$254,475, which if necessary can cover the remaining expenses for the year.

The Baby Lima Council has received \$10,798 of the \$22,800 in projected income and will rely on some of its carryover of \$30,336 to cover the \$32,783 in budgeted expenses (Exhibit "B" attached). A majority of these expenses revolve around the budgeted \$15,000 in foreign promotion and \$15,000 in production research. With a current cash balance of \$38,117 the Council should be able to cover its projected expenditures. The foreign promotion account covers some of the USDBC Japan trade mission trip expenses including 50% of the total expenses of any California dealer participating on the trip. The production research account is available to cover any research discussed and approved throughout the year.

The Blackeye Council has received \$8,519 of the \$18,800 in projected income and will rely on some of its carryover of \$131,480 to cover the \$23,980 in budgeted expenses (Exhibit "B" attached). A majority of the expenses revolve around the domestic promotion account \$10,000 and the production research account \$9,980. The Council commissioned Ali Cox and Company for a New Year's Day celebration project that involved a blackeye cooking and recipe contest on social media, all of which was paid for out of the domestic promotion account. The production research account is available to cover any research discussed and approved during the year. The current cash balance of \$129,921 provides the Council with flexibility in spending throughout the year.

The Garbanzo Council has received \$9,334 of the \$14,300 in projected income and will rely on some of its carryover of \$62,454 to cover the \$19,750 in budgeted expenses (Exhibit "B" attached). A majority of the accounts revolve around administration expenses with the production research account of \$15,000 making up a bulk of the total expenses. The production research account is available to cover any research discussed and approved during the year. The current cash balance of \$71,684 provides the Council with flexibility in spending throughout the year.

The Large Lima Council has received \$10,286 of the \$18,100 in projected income and will rely on some of its carryover of \$95,286 to cover the \$44,000 in budgeted expenses (Exhibit "B" attached). A few minor charges

directed towards some administration accounts with a majority of the expenses focused in the promotion accounts are responsible for the \$6,254 in expenses to date. These promotion accounts reflect the participation and support for the Alabama Butterbean Festival and the San Dieguito Heritage Museum Lima Fair. The Council does have a budget of \$9,000 which is available to cover any research discussed and approved during the year. With a current cash balance of \$99,318, the Council does have some flexibility with its spending throughout the year.

The Common Bean Council has received \$4,422 of the \$8,300 in projected income and including the carryover of \$51,984, the Council is in a good position to cover its \$2,500 in projected expenses (Exhibit "B" attached). At this time the expenditure activity has been limited to \$78. With no current production research scheduled the only major expense not involving administration charges would be the previously approved \$1,500 charges to assist in the re-construction of the UCANR website. Despite the lack of current activity, the Council does have the financial capability to fund research or promotion type activities throughout the year.

**Bean Board Action – 3/16/17 – 02** – Pata moved, seconded by Nelson to approve the financial reports as presented.

MOTION CARRIED UNANIMOUSLY *no abstentions*

#### **Assessment Collection "Rules and Regulations"**

Ellerby presented a possible change (Exhibit "C" attached) to the Board's assessment collecting. The current collection process consists of payment on moved beans which at times could be beans two or more years old. Annual warehouse audits are conducted by CDFA comparing the movement to assessments paid. According to the auditors at CDFA this process can become complicated as the tracking of older beans becomes more difficult to separate between years during an audit especially when assessment rates may vary from year to year. The proposed change of assessment collecting would see all remaining inventory paid out following the "End of Year" report. This would eliminate the confusion of having to match old inventory to that year's assessment rate during the audit process. This change would also simplify budget projections as the assessment collections on remaining inventory would create a more concrete income foundation. In addition to the assessment collection change, the Board should consider moving the "End of Year" report from April to July to coincide with the fiscal year.

Although the timing of these changes if made would make sense as summer approaches, it was recommended that the Board consider these proposed changes and discuss further at the annual meeting.

#### **Reports and Activities**

Ali Cox reported on some of the social media activities during the year along with the Blackeye Council sponsored New Year's Day contest (Exhibit "D" attached). Using \$7,000 of the \$10,000 budget for advertising the activity drew several thousand impressions over multiple social media platforms. In addition to the several social media posts, two blogs posts focused on blackeyes were distributed. Taking into consideration the number of impressions where blackeyes were the focal point, the activity was successful. Future activities with a similar concept now have a positive reference with the completion of the New Year's Day blackeye activity.

Pinterest remains one of the strongest @californiabean social media platforms with an average of 2,500 visits each day while Facebook receives around 50,000 visitors each month. As part of the social media efforts, Ali Cox and Company continues to look for cross promotion partners that may be able to increase the Board's imprint.

### **US Dry Bean Council**

Sano updated the Board on the nutritional labeling research project the USDBC and Kelley Bean was involved with to satisfy USDA's request that the nutritional labels on packaging be updated. Seventeen different varieties were involved in the nutritional data collection including California baby lima, large lima and blackeye varieties while several of the other varieties such as garbanzos and dark red kidneys were also included. While the USDBC will retain this new nutritional data and disperse it as they see fit, Kelley Bean put up the initial funding for the project and is looking for volunteers to help cover some of the costs. It has been suggested to anyone willing to contribute to send \$1,000 to the USDBC who will then reimburse Kelley Bean.

The value of having current research supported nutritional data available is not only important but convenient. Customers will ask for this information and at times it is difficult to obtain and not always consistent. By including several varieties when submitted for analysis, the cost was reduced. By allowing the USDBC distribution rights, there will be more control over who has access to the information. The Board agreed the \$1,000 request is reasonable and agreed to send the USDBC a \$1,000 contribution.

**Bean Board Action 3/16/17 – 03** – Capaul moved, seconded by S. Perez, to contribute \$1,000 to the USDBC to help fund the nutritional data analysis research.

MOTION CARRIED UNANIMOUSLY *no abstentions*

For the last few years the Board along with the USDBC has been working on an issue with the USDA grading standards of blackeyes. After several discussions and delays a decision was made on what the new grade number standard will be "the percent being not more than 1/10% of insect webbing and filth per sample" which corresponds with the Codex International Food Standards. During the discussion to move forward with this proposed grading standard change a couple more options were presented some of which included the addition of clean cut weevil board which only convoluted the original intentions of changing the standards of insect webbing and filth. Once the USDBC approves the changes, a commenting period will be open to the public to determine if the change works for the entire industry.

A group was sent to Japan earlier this year on behalf of the USDBC. Three of the participants were from CA, grower Chris Capaul, handler Jim Wallace and Nathan Sano as a USDBC representative (full report available at the Board office). The group met with the Japanese Pea and Bean Importers Association in both Tokyo and Japan. During these meetings it was expressed to the trade team that bean demand will not be down this year considering the current inventory available in Japan. The Myanmar butterbean continues to be available at a less than half of that of the CA baby lima and from the reports the crop is going to be strong. While visiting the paste manufacturing plant in Osaka, the group had the opportunity to compare baby lima anko paste to Myanmar butterbean anko paste and while the color may have been slightly different the flavor was almost indistinguishable. While certain paste manufacturers will continue to demand small quantities of baby lima beans because of the quality, consistency and safety, because of the price Myanmar butterbean and blends will continue to be utilized. Proposed country of origin labeling regulations that could take place in four years could change the outlook of the Japanese consumer when purchasing product with the perception US beans are safer.

A meeting with the food processing company Fujicco introduced our group and that of the USDBC to a different opportunity of supplying beans to Japan as this company packages several pre-cooked packaged meals containing beans. According to the US Embassy, pre-cooked packaged meals are becoming more popular as cooking at home becomes less relevant. If this trend continues and companies like Fujicco continue to use beans in their pre-cooked packaged meals there could be an opportunity to grow the consumption of US beans outside of the traditional white beans such as baby lima and great northern. The next USDBC trade trip will be in 2018 where a group from Japan will visit the US.

#### **American Pulse Association**

Oneto reported on an activity he attended earlier this year in New York to celebrate the end the International Year of the Pulse at the first ever Global Pulse Day (full report available at the Board office). Bringing together several members of the US pulse industry, media, bloggers and key influencers on pulse ingredients, the group participated in several activities to promote US pulses. This event along with the event early last year were impressive and if the APA continues putting on these types of activities the Board seems to be receiving a positive return for the membership.

#### **Inventory and Movement Report**

Sano reviewed the April Inventory and Movement Report ("Exhibit "E" attached) stating the received year to date total was 1,143,032 cwt with a current on hand inventory of 812,202 cwt. The shipped year to date total which includes prior year crop inventory is 728,346 cwt. The report is distributed each month resetting in August as the Board prepares for the new crop.

#### **California Bean Shippers Report**

Ag Day in Sacramento is next Wednesday, March 22, 2017. The State's Secretary of Agriculture will be talking and several activities and booths will be set up for people to visit.

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

Ellerby informed the Board how CDFA is down to one warehouse/assessment auditor after one of the auditors left for another position. The remaining auditor does a fantastic job and will continue moving through the current list of warehouse audits as quickly as she can until CDFA can bring in more help.

#### **Form 700**

Sano reminded the Board to turn in the Form 700 as soon as possible.

#### **Research Proposals**

Sano broke down the research proposals and the funding recommendation stating the Gepts proposal focused on lima beans is \$57,140. Splitting up that project between the Board at 50%, \$28,570 and the Baby Lima Council at 25%, \$14,285 and Large Lima Council at 25%, \$14,285 spreads the cost out so not one group has to cover the entire expense. Similarly the Gepts garbanzo proposal total \$23,573 split between the Board 50%, \$11,786.50 and the Garbanzo/Blackeye Council at 50%, \$11,786.50. The Roberts proposal to continue the blackeye varietal development total of \$19,960 would be split between the Board at 50%, \$9,980 and the Garbanzo/Blackeye Council at 50%, 9,980. The final proposal submitted to the Board was off a request for someone to examine the seed moisture content and how that affects the germination process. Long submitted a seed germ proposal to the Board in the amount of \$10,000.

At this Time Chris Capaul, Chairman of the Baby Lima Council called a Council meeting at 1:30 P.M. After a short discussion the Baby Lima Council agreed to fund the 25% of the Gepts lima breeding project.

**Baby Lima Council Action – 3-16-17 – 01** – Robertson moved, seconded by Peirera to fund 25% of the Gepts lima breeding project at the total of \$14,285.

MOTION CARRIED UNANIMOUSLY *no abstentions*

The Baby Lima Council meeting was then adjourned at 1:35 P.M.

Members of the Large Lima Council were asked their thoughts on the funding of the Gepts lima breeding project and the Councils intent on funding. Without a quorum present official action could not be taken, however, having the opportunity to review and discuss with Council members, the remaining members of the Large Lima Council were in agreement that the Council would fund 25% of the Gepts lima breeding program.

Members of the Garbanzo/Blackeye Council were then asked their thoughts on the funding of the Gepts Garbanzo breeding program and Roberts blackeye varietal improvement program. Without a quorum present, the present members agreed both programs should be funded at the recommended totals of 50% of the garbanzo proposal and 50% of the blackeye proposal.

At this time, Garret Hansen called a meeting of the Common Bean Council at 1:40 P.M. Not having a current research project, the Common Bean Council agreed they would like to contribute to \$2,500 to the USDA common bean cooperative nursery with the request of adding pinquito and mayacoba or yellow beans to the project.

**Common Bean Action – 3/16/17 – 01** – Chesini moved, seconded by Hansen to contribute \$2,500 to the Gepts USDA common bean cooperative nursery with the request of adding pinquito and mayacoba or yellow beans to the project.

MOTION CARRIED UNANIMOUSLY *no abstentions*

The Common Bean Council was adjourned at 1:45 P.M.

Following the Council meetings and discussion the Board discussed and approved the research funding for the year including up to \$10,000 set aside for the Executive Committee to approve a seed germination project that included the recommendation of using the available seed at the warehouses.

**Bean Board Action – 3/16/17 – 04** – Kubo moved, seconded by Capaul to approve the following slate of research:

Bean Board	Roberts – Blackeye Varietal Development	\$9,980.00
	Gepts – Garbanzo Breeding	\$11,786.50
	Gepts – Lima Breeding	\$28,570.00
	Seed Germination Project (reserved)	<u>\$10,000.00</u>
	<b>TOTAL BOARD EXPENSE</b>	<b>\$60,336.50</b>

Blackeye Council	Roberts – Blackeye Varietal Development	<b>\$9,980.00</b>
Garbanzo Council	Gepts – Garbanzo Breeding	<b>\$11,786.50</b>
Baby Lima Council	Gepts – Lima Breeding	<b>\$14,285.00</b>
Large Lima Council	Gepts – Lima Breeding	<b>\$14,285.00</b>

MOTION CARRIED UNANIMOUSLY *no abstentions*

Sano then asked the Board to consider moving the pre-approved funding of the 2015-16 Garbanzo research from the 2015-16 fiscal year to be paid in the current 2016-17 fiscal year. This \$11,494.50 budgeted in the Board’s production research account along with the \$11,494.50 budgeted in the Garbanzo Council account will be paid out of the 2016-17 fiscal year budget although these projects were approved during last year’s March 31 meeting due to the growing and research season of garbanzo beans which is just starting now. Moving forward the Board can expect the same request for the approved garbanzo research in the 2016-17 year to be paid in the 2017-18 fiscal year.

**Bean Board Action – 3/16/17 – 05** – Richter moved, seconded by C. Cox, to move the garbanzo research funding from the 2015-16 financial year to the 2016-17 financial year.

MOTION CARRIED UNANIMOUSLY *no abstentions*

Sano provided possible annual meeting dates of either July 19<sup>th</sup> or 21<sup>st</sup>. It was also recommended the Board meet at the Farm Bureau in the future.

With no further business the meeting of the California Dry Bean Advisory Board and Varietal Councils was adjourned at 2:15 P.M.

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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 and Varietal Councils on March 16, 2017.

  
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 Nathan Sano, Manager

**DRY BEAN ADVISORY BOARD****FISCAL YEAR ENDING 7/31/16****February 28, 2017**

<b>INCOME</b>	<b>CARRYOVER</b>	<b>172,069</b>	
	<b>BUDGET</b>	<b>YTD</b>	<b>BALANCE</b>
20-110 Current	182,250	159,542	22,708
20-111 Prior	121,230	96,105	25,125
20-120 Interest Income	1,000	1,496	(496)
20-150 V.C. Administration Charges	5,000	3,938	1,062
<b>TOTAL INCOME</b>	<b>309,480</b>	<b>261,080</b>	<b>48,400</b>

<b>EXPENSES</b>			
20-305 Management Services	67,260	67,260	-
20-315 Audits	5,200	5,375	(175)
20-320 Office Supplies	1,500	1,746	(246)
20-330 Telephone	1,400	885	515
20-335 Postage	3,000	982	2,018
20-345 Dues & Subscriptions	500	200	300
20-355 Travel & Mileage	5,000	5,077	(77)
20-356 Travel & Mileage (Promotion)	6,000	3,764	2,236
20-360 Meetings	2,500	1,672	828
20-370 Insurance	600	544	56
20-392 Website	2,000	950	1,050
20-407 Domestic Promotion	46,490	39,839	6,651
20-413 Promotion Reserve	10,000	10,000	-
20-482 US Dry Bean Council	10,560	10,560	-
20-483 American Pulse Association	10,000	10,243	(243)
20-505 Research Reports	1,000	410	590
20-550 Production Research	80,000	60,361	19,639
20-710 Marketing Branch	20,000	14,809	5,191
20-711 Market Enforcement Branch	8,000	-	8,000
<b>TOTAL EXPENSES</b>	<b>281,010</b>	<b>234,678</b>	<b>46,332</b>

<b>NET INCOME</b>	<b>\$</b>	<b>26,402</b>
<b>CASH BALANCE</b>	<b>\$</b>	<b><u>198,471</u></b>

**DRY BEAN ADVISORY BOARD****FISCAL YEAR ENDING 7/31/17****February 28, 2017**

<b>INCOME</b>	<b>CARRYOVER</b>	<b>198,471</b>	
	<b>BUDGET</b>	<b>YTD</b>	<b>BALANCE</b>
20-110 Current	217,500	104,126	113,374
20-111 Prior	94,500	36,525	57,975
20-120 Interest Income	1,000	841	159
20-150 V.C. Administration Charges	5,000	-	5,000
<b>TOTAL INCOME</b>	<b>318,000</b>	<b>141,493</b>	<b>176,507</b>

<b>EXPENSES</b>			
20-305 Management Services	67,260	33,630	33,630
20-315 Audits	5,400	-	5,400
20-320 Office Supplies	1,500	287	1,213
20-330 Telephone	1,400	613	787
20-335 Postage	3,000	1,043	1,957
20-345 Dues & Subscriptions	500	200	300
20-355 Travel & Mileage	5,000	811	4,189
20-356 Travel & Mileage (Promotion)	6,000	1,125	4,875
20-360 Meetings	2,500	754	1,746
20-370 Insurance	600	422	178
20-392 Website	2,000	692	1,308
20-407 Domestic Promotion	49,560	23,315	26,245
20-482 US Dry Bean Council	10,000	4,305	5,695
20-483 American Pulse Association	10,000	10,000	-
20-505 Research Reports	1,000	-	1,000
20-550 Production Research	80,000	-	80,000
20-710 Marketing Branch	20,000	5,493	14,507
20-711 Market Enforcement Branch	4,800	2,800	2,000
<b>TOTAL EXPENSES</b>	<b>270,520</b>	<b>85,489</b>	<b>185,031</b>

<b>NET INCOME</b>	<b>\$</b>	<b>56,004</b>
<b>CASH BALANCE</b>	<b>\$</b>	<b><u>254,475</u></b>

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

February 28, 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	6,135	7,365	
20-111 Prior	9,000	4,500	4,500	
20-120 Interest Income	300	163	137	
20-132 Foreign Promotion Reimbursement	-	-	-	
<b>TOTAL INCOME</b>	<b>22,800</b>	<b>10,798</b>	<b>12,002</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	78	322	
20-490 Foreign Promotion	15,000	2,571	12,429	
20-505 Research Reports	100	-	100	
20-550 Production Research	15,000	-	15,000	
<b>TOTAL EXPENSES</b>	<b>35,800</b>	<b>3,017</b>	<b>32,783</b>	

<b>NET INCOME</b>	<b>\$ 7,781</b>
<b>CASH BALANCE</b>	<b><u>\$ 38,117</u></b>

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

February 28, 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	7,052	5,548	
20-111 Prior	5,600	950	4,650	
20-120 Interest Income	600	516	84	
<b>TOTAL INCOME</b>	<b>18,800</b>	<b>8,519</b>	<b>10,281</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	78	322	
20-505 Research Reports	100	-	100	
20-550 Production Research	9,980	-	9,980	
<b>TOTAL EXPENSES</b>	<b>23,980</b>	<b>10,078</b>	<b>13,902</b>	
<b>NET INCOME</b>		<b>\$ (1,559)</b>		
<b>CASH BALANCE</b>		<b>\$ 129,921</b>		

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

February 28, 2017

<b>INCOME</b>	<b>CARRYOVER</b>	<b>62,454</b>		
	<b>BUDGET</b>	<b>YTD</b>	<b>BALANCE</b>	
20-110 Current	8,400	7,835	565	
20-111 Prior	5,600	1,241	4,359	
20-120 Interest Income	300	257	43	
<b>TOTAL INCOME</b>	<b>14,300</b>	<b>9,334</b>	<b>4,966</b>	

<b>EXPENSES</b>				
20-309 V.C. Administration 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	78	322	
20-505 Research Reports	100	-	100	
20-550 Production Research	15,000	-	15,000	
<b>TOTAL EXPENSES</b>	<b>19,750</b>	<b>104</b>	<b>19,646</b>	

<b>NET INCOME</b>	<b>\$ 9,230</b>
<b>CASH BALANCE</b>	<b><u>\$ 71,684</u></b>

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

February 28, 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	7,548	7,452
20-111 Prior	2,400	2,360	40
20-120 Interest Income	700	379	321
<b>TOTAL INCOME</b>	<b>18,100</b>	<b>10,286</b>	<b>7,814</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	78	322
20-505 Research Reports	100	-	100
20-550 Production Research	9,000	-	9,000
<b>TOTAL EXPENSES</b>	<b>44,000</b>	<b>6,254</b>	<b>37,746</b>

<b>NET INCOME</b>	<b>\$ 4,032</b>
<b>CASH BALANCE</b>	<b><u>\$ 99,318</u></b>

**COMMON BEAN VARIETAL COUNCIL**  
**FISCAL YEAR ENDING 7/31/17**

February 28, 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	3,165	835	
20-111 Prior	4,000	1,043	2,957	
20-120 Interest Income	300	215	85	
<b>TOTAL INCOME</b>	<b>8,300</b>	<b>4,422</b>	<b>3,878</b>	
<b>EXPENSES</b>				
20-309 V.C. Administration Expense	1,000	-	1,000	
20-355 Travel & Mileage	500	-	500	
20-360 Meetings	500	-	500	
20-430 Promotion Materials	400	78	322	
20-505 Research Reports	100	-	100	
<b>TOTAL EXPENSES</b>	<b>2,500</b>	<b>78</b>	<b>2,422</b>	
<b>NET INCOME</b>		<b>\$ 4,344</b>		
<b>CASH BALANCE</b>		<b>\$ <u>56,328</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 Director Board 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~~ paid shall be reported on a form provided for that purpose. Any assessments already paid ~~or prepaid~~ may be deducted from the ~~prepayment~~ payment remittance if such deductions are properly noted on the ~~prepayment~~ payment form.

3. Due Date. The Annual Inventory Report form ~~(and the prepayment~~ payment of assessment ~~supplement to that form, if the prepayment option is exercised)~~ must be properly filled out and filed with the Director Board 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)*

ALI COX &amp; COMPANY

*marketing***Black-eye Bean Council Recap  
Presented March 16, 2017****Overview:**

- Ran a contest during the month of December titled *"How do you cook your good luck bean for New Year's?"*
- This contest was featured on all our social media sites
- Winner was Joey Lomenzo, from New Jersey, winning a \$700 Amazon gift card and an Instant Pot electric pressure cooker.

**Advertising Recap:**

- \$7,000 spent in Google, Facebook and Instagram
- 1,524 Clicks from Google ads
- 294,809 Impressions on Google
- 23,650 Clicks from Facebook and Instagram ads
- 591,574 Impressions from Facebook and Instagram

**Contest Results:**

- 1,969 Total Contest Entrants
- 2,111 Likes on Facebook
- 103 Shares on Facebook
- 20,730 Visits to Woobox (contest platform)

**Black-eye Blogs:**

- The Bean Sack blog featured a savory cornmeal and black-eye recipe that you can make into waffles or muffins
- Featured Dietitian, Jill Nussinow was a guest blogger who shared her recipe for Smoky Sweet Black-eyed peas cooked in an electric pressure cooker.

**CALIFORNIA DRY BEAN INVENTORY AND MOVEMENT REPORT**

August 1, 2016 through February 28, 2017

VARIETY	(1) PHYSICAL INVENTORY ON HAND 8/1/2016	(2) RECEIVED IN FEB	(3) EST CLO %	(4) RECEIVED Year to Date	(5) SHIPPED IN FEB	(6) SHIPPED Year to Date	(7) REPORTED INVENTORY ON HAND 2/28/2017	(8) REPORTED INVENTORY ON HAND 2/29/2016
Baby Limas-Reg.	96,371	0	12	159,567	20,762	123,009	132,929	176,146
Baby Limas-Gr. Sd.	33,956	0	11	51,531	6,202	38,613	46,875	54,781
Blackeyes	81,347	0	11	317,872	14,338	143,644	255,575	149,438
Dark Red Kidneys	31,534	0	14	12,387	1,280	11,252	32,670	43,810
Large Limas	50,541	0	15	299,694	8,833	129,733	220,503	153,367
Light Red Kidneys	9,995	0	13	9,957	460	3,159	16,793	19,035
Miscellaneous	22,029	0	13	79,733	2,151	55,462	46,300	61,483
<b>TOTALS</b>	325,773	0		930,741	54,026	504,872	751,645	658,060

**Garbanzos are reported using the Crop Year April through March**

Garbanzos	71,739	0	11	212,291	14,882	223,474	60,557	79,309
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Compiled and calculated by the California Dry Bean Advisory Board from data reported by warehouses on monthly assessment collection forms. Amounts in the "received" columns are calculated from dirt weight reports with estimated clean-out percentages for each variety as shown in column 3. The board assumes no responsibility for the accuracy of the figures and is acting only as an agency for receiving, tabulating and reporting the totals.

California Dry Bean Advisory Board  
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prepared 3/15/2017