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California Wheat Commission Office
1240 Commerce Ave. Suite A,
Woodland, CA 95776

Board Meeting Wednesday, December 5, 2018 (9:30 a.m.)

Conference Call Attendance

Access Number Participant: = +1 408-638-0968 (US Toll) or +1 646-558-8656 (US Toll)

Participant Passcode/Meeting ID: 466 870 1284

Join by Link: <https://zoom.us/j/4668701284>

	Call In	Attending
Bill Cruickshank		x
Larry Hunn		x
Dennis Pelucca		x
Kevin Ruble		x
Mike Carlisle		x
Jim Parsons		x
Kirk Elholm		x
Ron Rubin		x
Roy Motter		x
Michael Edgar		x
Nan Kohler		x
Lee Jackson	x	
Steve Windh		x

Board Meeting Notice

Sent and posted November 21, 2018

Via Teleconference Call

DATE: **Wednesday, December 5, 2018**
TIME: **09:30 A.M. - 2:00 P.M.**
ACCESS NUMBER: +1 408 638 0968 (US Toll) or +1 646 558 8656 (US Toll)
PASSCODE/ Meeting ID: 466 870 1284
Or Join with the link: <https://zoom.us/j/4668701284>
LOCATION: Ontario Airport Hotel & Conference Center
700 N Haven Ave.
Ontario, CA 91764

*Board Members wishing to participate in the meeting VIA TELECONFERENCE CALL must notify Isabel Rivera via email to (irivera@californiawheat.org) or by Fax to (530) 661-1332 at least 24 hours prior to the listed meeting. **Failure to do so will disqualify you from participation.***

AGENDA

- 09:30 a.m. I. Call to Order
- Roll Call/Establish Quorum
- 09:35 a.m. III. Public Comment
- 09:40 a.m. IV. Approval of Agenda
- 09:40 a.m. V. Approval of Previous Board Meeting Minutes
- September 5, 2018
- 09:45 a.m. VI. Acceptance of Previous Committee Minutes
- August 27, 2018 Steering Committee
 - August 31, 2018 Audit Committee
 - September 4, 2018 Nominating Committee
- 09:50 a.m. VII. Commissioners Report
- 10:20 a.m. VIII. Staff Reports
- 10:35 a.m. IX. Market Development/Outreach
- Collaborators Meeting/ Preferred Variety List Report
 - Logo/Trademark Committee Report
 - Social Media/ Website Report

- Other updates
- 11:15 p.m. X. Research Committee Report
- 12:00 p.m. ADJOURN FOR LUNCH
- 01:00 p.m. XI. Financial Reports
- FY 18/19 YTD Income/Expense Report
 - Budget Change Proposal
 - Cash Flow Statement through 11/30/18 & CDs and Money Market
 - Vacation Accrual Report
- 01:20 p.m. XII. CAWG Report - Nick Matteis
- 01:55 p.m. XIII. Public Comment
- 02:00 p.m. ADJOURN MEETING

Following adjournment of the Commission meeting, Commissioners will drive to Passport Foods (2539 E Philadelphia St, Ontario, CA 91761) and Tour their facility and learn more about their operations and how they utilize wheat flour in their products.

Note: The times listed for each agenda item are estimated and subject to change. It is possible that some of the agenda items may not be able to be discussed prior to adjournment. Consequently, those items will be rescheduled to appear on a subsequent agenda.

All agenda items are subject to discussion and possible action. All interested parties are invited to attend the meeting. Time will be allowed for members of the public to make comments on each agenda item (up to 2 minutes). To make a request for more information, or to make a request regarding a disability-related modification or accommodations for the meeting, please contact Isabel Rivera at 530-661-1292, or 1240 Commerce Ave., Ste. A, Woodland, CA 95776, or via email at irivera@californiawheat.org. Requests for disability-related modification or accommodation for the meeting should be made at least 48 hours prior to the meeting time. This notice and agenda is available on the Internet at www.californiawheat.org.

ROLL CALL

DISTRICT	1:	Commissioner: Alternate:	<u>John Walker</u>
DISTRICT	2:	Commissioner: Alternate:	<u>Bill Cruickshank</u> <u>Larry Hunn</u>
DISTRICT	3:	Commissioner: Alternate:	
DISTRICT	4:	Commissioner: Alternate:	<u>Dennis Pelucca</u>
DISTRICT	5:	Commissioner: Alternate:	<u>Nathanael Siemens</u>
DISTRICT	6:	Commissioner: Alternate:	<u>Scott Schmidt</u> <u>Kevin Ruble</u>
DISTRICT	7:	Commissioner: Alternate:	<u>Mike Carlisle</u> <u>Jordan Parsons</u>
DISTRICT	8:	Commissioner: Alternate:	<u>Jim Parsons</u> <u>Kirk Elholm</u>
DISTRICT	9:	Commissioner: Alternate:	<u>Ron Rubin</u> <u>Roy Motter</u>
HANDLER	1:	Commissioner: Alternate:	<u>Mark Mezger</u> <u>Jason Dinubilo</u>
HANDLER	2:	Commissioner: Alternate:	<u>Michael Edgar</u>
AT LARGE	1:	Commissioner: Alternate:	<u>Nan Kohler</u> <u>Damon Sidles</u>
PUBLIC:		Commissioner: Alternate:	<u>Lee Jackson</u> <u>Steve Windh</u>



Approved by the Board _____

**CALIFORNIA WHEAT COMMISSION
Board Meeting
Yolo County Farm Bureau
69 W Kentucky Ave.
Woodland, California**

MINUTES OF September 5, 2018

Opening Business

The meeting was held at the Yolo County Farm Bureau in Woodland.

Call to Order

The meeting of the California Wheat Commission was called to order by Steve Windh at 10:10 AM on Wednesday, September 5, 2018, in Woodland, California.

Roll Call

Roll Call was conducted, and a quorum was established. Members present for all or part of the meeting included:

District 2:	Bill Cruickshank
District 4:	Dennis Pelucca
District 6:	Scott Schmidt
District 7:	Mike Carlisle
District 8:	Jim Parsons
District 9:	Ron Rubin
At Large 1:	Lee Jackson
Public:	Steve Windh Damon Sidles

A quorum was present. Refer to roll call list above for determining attendance for unanimously passed motions.

Commissioner Elections

Steve Windh reported on commissioner elections results.

#1 MOTION WAS MADE BY BILL CRUICKSHANK AND SECONDED BY SCOTT

SCHMIDT TO RE-APPOINT DENNIS PELUCCA AS DISTRICT 4 MEMBER AND KEVIN RUBLE AS DISTRICT 6 ALTERNATE. MOTION CARRIED UNANIMOUSLY WITH NO ABSTENTIONS.

After the board meeting, we had CDFA investigate further why district 4 had not received any ballots. During this process this is what CDFA learned and responded to us:

District 4 Member

Dennis Pelucca went from receiving no votes to receiving 28 votes. As you may recall, at the September 5th CWC meeting, the Board passed a motion appointing Dennis Pelucca to this member position because at the time it was believed that Dennis had not received any votes. In view of the 28 votes that Dennis actually received, the Board's action on this matter turns out to have been unnecessary. That being the case, I think it would be appropriate to include a note in the September 5th meeting minutes in the section regarding this matter which could read as follows: "Subsequent to this meeting, CDFA acquired additional ballots electing Mr. Pelucca to the District 4 member position. Thus, the Board's original action on this matter was unnecessary and should therefore not be considered as an official action of the Board."

Introduction of Guests

Guests present for all or part of the meeting included: Dennis Manderfield, CDFA, Jorge Dubcovsky, UC Wheat Breeder, Mark Lundy, UC Assistant CE Specialist in Grain Cropping Systems at UC Davis, and Nick Matteis, Executive Director, California Association of Wheat Growers.

Approval of Agenda

#2 MOTION WAS MADE BY JIM PARSONS AND SECONDED BY RON RUBIN TO APPROVE THE AGENDA. MOTION CARRIED UNANIMOUSLY WITH NO ABSTENTIONS.

Officer Elections

Steve Windh gave the Nominating Committee report on officer elections.

#3: MOTION WAS MADE BY JIM PARSONS AND SECONDED BY MIKE CARLISLE TO ACCEPT THE SLATE OF OFFICERS PRESENTED BY THE NOMINATING COMMITTEE (CHAIRMAN JOHN WALKER, VICE CHAIRMAN BILL CRUICKSHANK, SECRETARY/TREASURER DENNIS PELUCCA). MOTION CARRIED UNANIMOUSLY.

Vice Chairman Bill Cruickshank took over the meeting in John Walkers absence.

Dennis Pelucca reported on the nominating committee. There was a request submitted by Jason Dinubilo for handler position. There was also discussion on qualifications for the At-Large position. Pelucca presented to the board on behalf of the committee to nominate Jason Dinubilo for handler position and Nan Kohler, and Damon Sidles for At-Large positions.

#4 MOTION WAS MADE BY JIM PARSON AND SECONDED BY RON RUBIN TO ACCEPT JASON DINUBLIO FOR THE ALTERNATE POSITION AT HANDLER 1. MOTION CARRIED UNANIMOUSLY.

- #5 MOTION WAS MADE BY JIM PARSONS AND STEVE WINDH TO ACCEPT NAN KOHLER AS AT LARGE MEMBER AND DAMON SIDLES AS ALTERNATE AT LARGE MEMBER. MOTION CARRIED UNANIMOUSLY.**
- #6 MOTION WAS MADE BY SCOTT SCHMIDT AND SECONDED BY STEVE WINDH TO THE AMENDMENT OF NAN KOHLER AND DAMON SIDLES REMAIN IN THEIR POSITIONS FOR THE NEXT SIX MONTHS AND THE FOLLOWING 3 YEARS. MOTION CARRIED UNANIMOUSLY**

Pelucca also reported to the board the nomination of Lee Jackson for Public Member and Steve Windh for Alternate Public Member position.

- #7 MOTION WAS MADE BY JIM PARSONS AND RON RUBIN TO ACCEPT LEE JACKSON AS PUBLIC MEMBER AND STEVE WINDH AS ALTERNATE PUBLIC MEMBER. MOTION CARRIED UNANIMOUSLY**

Approval of Previous Board Meeting Minutes

- #8: MOTION WAS MADE BY RON RUBIN SECONDED BY JIM PARSONS TO APPROVE OF THE APRIL 18, 2018 BOARD MEETING MINUTES. MOTION CARRIED UNANIMOUSLY WITH NO ABSTENTIONS.**

Approval of Previous Committee Minutes

- #9: MOTION WAS MADE BY RON RUBIN SECONDED BY JIM PARSONS TO APPROVE THE MINUTES OF THE APRIL 13, 2018 EXECUTIVE COMMITTEE AND THE MINUTES OF THE APRIL 16, 2018 RESEARCH COMMITTEE. MOTION CARRIED UNANIMOUSLY WITH NO ABSTENTIONS.**

Commissioner Reports

Lee Jackson – had nothing to report.

Damon Sidles - Company had some upper management changes in corporate office located in Minneapolis. Met with Claudia Carter and Nick Matteis on how to work with the California Wheat Commission to promote California grown label for our customers.

Mike Carlisle – finished harvesting. Looking forward to the predicted El Niño.

Scott Schmidt – The world is still awash in wheat and is not helping prices. World circumstances can change anytime. Penny Newman was quoting hard red 2.18 – 2.20 a ton, not a very good number. Still going to have wheat this year. If good prices we will have 1500 acres and if we don't 0 – 300 acres. Looks like most likely 450 acres this year. Not very much wheat in the area what is grown is going to dairy. Permanent crops taking over. There is always a water situation, worried about water sources.

Kevin Ruble – Fresno county, pretty much same situation as Scott Schmidt. Grow durum wheat about 2500 annually for rotational purposes. The price could be better and should be better, and a lot is also dependent on water.

Jim Parsons – Agree with Mike. Harvested 200 acres and got about 6000 pounds from it. Irrigated wheat went to the green shop and will probably do the same next year because the price is much better than the grain price. We received 2.15 a ton. I'm optimistic.

Steve Windh – I come from the user group. The best cure for high prices is high prices and low prices, low prices. Historically when we saw wheat prices this low, we also saw flour prices very low. One of the things that California wheat was very helpful when Ardent mills were consolidating the ConAgra and Cargill mills, CHS mills and we were very instrumental in working with the state and federal level, and the trade commission to say that we needed to carve out some mills to avoid a market concentration. Where one company would control our marketplace in California. The ruling the DOJ came up with really carved out the ability for Miller Milling or Mission to come in a pick up a Los Angeles mill and bay area mill. We are not happy with the marketplace today, but it could have been worse.

Bill Cruickshank – Sacramento Valley region, yields were decent. Rainfall was not on average but better than a year before. Protein pretty good. Acres are dropping and don't think it will change with the prices.

Dennis Pelucca – A lot of the wheat acreage in my area was triticale. Hard red wheat was average. My observations are that wheat will be a rotational crop next year.

Jason Dinubilo – Phil O'Connell grain in Stockton. Wheat crops were pretty good. Will buy more wheat this year. Wheat is cheaper to grow.

Ron Ruben – Imperial Valley, we grow 99.9 of durum in our area. We have grain from two years ago in storage. We have 22,000 acres this year of production, will end up between 15,000 – 20,000. The world supply in durum is more than adequate. North Dakota and Canada have a good crop. So, our value in Imperial Valley is just feed prices. Very few sold, becoming a storage facility.

Nan Kohler – Grist and Toll. A small stone mill in Pasadena, California. I buy California grown wheat in less than truckload amounts and other types of grain like spelt, rye, air loom varieties, and Sonora. I mill them myself and sell to the public and wholesale quantities to local chefs and restaurants. Also, have a small bakery where I promote transparency in wheat crops and how flour is used, and different varieties have different flavors and aromas. Offering more creative options for the marketplace. The general public is completely on board that the farm to fork table has brought. They want transparency and aware that it comes at a higher price.

Audit Report

Ron Ley of Damore, Hamric, and Schneider, Inc reported on the FY 17/18 audit. Ley informed that there were no difficulties working with staff. A couple of finding that wanted to bring up to the board were: First, payroll comply with IRS rules whenever there is a change in payroll deductions. Management must always document all changes and have executive director review and approve. Second for travel, lodging, meals we found some expenses that lacked documentation to support them. Some meal receipts that did not indicate who was at the meal and what type of business was discussed which is required by CDFR. Also, no supporting documents for higher travel costs were not attached to the travel reimbursement. Moving forward staff will always document and provide documentation such as agendas, emails, etc.

Statement of Net Position Assets, total assets at the end of the year was \$875,881. On the Income statement, assessment revenue was down substantially from \$765,850 last year vs. this year \$580,033. Other revenue such as lab analysis and crop quality increased this year by \$30,000, \$124,169 vs. last year \$94,152. Total operating revenue this year was \$704,327 compared to \$867,608 last year. Revenue expenses decreased this year from \$921,464 vs. \$840,225 from last year. The operating loss Income was (\$217,137) the end of the year reflects the decrease in assessment income. Change of Net position was

(\$210,137). Net position, end of year \$830,967.

Current assets, this year \$729,702 vs. \$934,786 last year. Property and equipment were \$146,179 with a total asset of \$875,881 end of the year. Total Current and Total liabilities increased this year from \$44,914 compared to last year \$46,056. Net position invested capital assets was \$146,179 and unrestricted \$684,788.

#10: MOTION WAS MADE BY STEVE WINDH AND SECONDED BY DENNIS PELUCCA TO ACCEPT THE AUDIT REPORT. MOTION CARRIED.

Administrative Issues

Staff Reports

Claudia Carter started off by thanking Isabel and Crystal for taking care of the audit while she was traveling. Carter also mentioned that she wanted to thank Crystal for taking on more responsibilities during Isabel's maternity leave. Carter added that she likes cross-training staff so that on occasions when someone can be at work other staff can take care of duties.

Crystal Sandoval reported that she took on more responsibilities. Helped Carter finalize the variety survey, helps also put together the quarterly newsletter. Sandoval also took over elections on all her own, along with the form 700. Sandoval also helped prepare for the audit. Sandoval lastly mentioned that she will be ongoing on maternity leave at the end of November.

Carter continued to report on her market development. Since last year she has been visiting specific mills to learn more how they operate. That's how she learned about the quality issue. This year she tried to visit growers and handlers. She contacted one of the handlers, Corky Sherwood and he planned a whole day for Carter's visit. Sherwood took Carter to visit a grower named Skip, the story behind Skip is interesting because he is an almond grower. His family used to grow wheat. The almond trees in his field were chipped back to the soil and did not fertilize the soil. The outcome was great, had a 13.5 protein for grain and baking performance was great. His story was so interesting that we included in our recent newsletter. Carter also mentioned that the lab had their first open house and hoping to have a few throughout the year where we invite people to join to learn what we do. Promoted this event in Instagram where we have about 250 followers. 10-15 people showed up and quite successful.

Carter talked about her market development trips, she traveled to Arizona and visited Hayden flour mills owned by Jeff Zimmerman. Zimmerman has a mill for grinding desert durum, heritage grains, organic grains. Hayden Mills sells their own flour, cookies, and crackers at Whole Foods and are expanding their product line to pasta. Hayden flour mills work directly with the grower and partnered with Sossaman Farms and Mr. Steve Sossaman recently established a wheat cleaning facility next to the mill to continue developing their business. Carter also visited Miller Milling and learned that they have an interest in partnership with the commission. Carter also talked about her international travels, she traveled to Brazil to the Latin American Buyers conference. She mentioned that she learned that Brazil imports semolina and she was approached from a Brazil buyer after listening about the Sumesa story given by Carter. Carter connected Brazil interested buyers with Sumesa and other US contacts.

Next Carter talked about the lab. Carter mentioned that Alejandra Andrade, lab assistant, assisted a baking training with Craig Ponsford. Carter also talked about the interns that are currently working at the lab on all crop quality samples. Carter lastly mentioned the Collaborator meeting and invited everyone to attend.

Lunch break for Lunch 12:00 pm

Back at 12:35 pm

CAWG

Nick Matteis reported Farm Bill, NAFTA, Tariff wars, and farmer fair trade. Farm Bill, draft agreement due by September 5 and deadline of September 30. There are high hopes that there will be a bill by the deadline. If There is no bill by that time there would have to be an extension of the current bill and that is something that we would want to avoid, Matteis added. NAFTA, done with Mexico. Need to get Canada pulled in to the scene as quickly as possible. If Canada does not get pulled back into this agreement it is no longer a re-negotiation NAFTA. It's actually a new bilateral trade agreement which would require more than a simple majority vote to pass. Remaining issues with Canada are the tariff issues.

Agricultural Provisions in current Mexico Agreement, agricultural provisions in current Mexico Agreement. All tariff rates remain at zero. The deal supports "21st-century innovation" in agriculture, meaning it recognizes the importance and legitimacy of all forms of biotechnology, including gene editing, and will continue U.S.-Mexican cooperation. Agreement on grading standards and services be non-discriminatory, including for grains, and that grading will be done independently of domestic registration systems for grain and oilseed varieties. Agreement to toughen rules for science-based SPS measures. Also, processes for certification, regionalization, and equivalency determination are agreed to, along with system-based audits, and creating a new way to conduct "technical consultations" to resolve issues. The new SPS standards are like those agreed to in the Trans-Pacific Partnership (TPP) agreement from which the U.S. withdrew. Mexico and the U.S. have agreed to a form of geographical indication (GI) standards.

China, there is a 25% tariff on all US Wheat going into China. Tariff War Secretary Sonny Perdue announced first nearly \$4.7 billion in farmer tariff cash assistance allocated by the administration under the administration's new Market Facilitation Program (MFP). Full USDA authorization is \$12 billion, Another \$200 million will be made available for government/industry joint export market promotion and development. Jim Parsons and Nick participated in Farmers for Free Trade press conference on August 15.

Glyphosate in CA Supreme Court & Federal Court CAWG submitted Amicus Letter Requesting Judicial Review Requested a review of the rulemaking authority granted by the CA Labor Code to a "private corporate entity" Federal case still ongoing and injunction in effect. Two cases one on the federal court. Another suit filed at the state level. Glyphosate is now on Prob 65. Governor Brown signed a \$201.4-billion budget. The third consecutive budget that includes notably higher-than-expected tax revenue. Sizable portion lawmakers are diverting into the largest cash reserve in California history.

Farmers in the San Joaquin Valley Air Pollution Control District (SJVAPCD) will need to replace 12,000 tractors by 2024 under the proposed PM 2.5 State Implementation Plan (SIP) for the San Joaquin Valley Funding through the FARMER Program to assist in agricultural equipment replacement is only ensured through 2019. The FARMER Program has received \$267 million to fund the replacement of diesel agricultural vehicles and equipment the program will fund up to 65 percent of replacement cost with a new or used truck in compliance with CARB's Truck and Bus Regulation.

Market Development

Scott Schmidt reported on behalf of the steering committee. Schmidt started off with problems that California wheat is facing such as pricing, permanent crops, no volume coming into the commission. We need to generate interest for California wheat and that is the reason we started the steering committee. Also, part of this committee is Nick Matteis who leads CA Grown. Matteis talked about his participation in the steering committee. There was some discussion about the trademark pending with the CA Wheat logo and some branding associated with that. Matteis added that maybe CA Grown has some branding power that could be of benefit California wheat. Matteis thinks that the wheat commission could benefit

from a membership to have access to the brand. The threshold for CA Grown is 85%. Damon Sidles reported that their durum products would meet the 85% requirements, but other products would not. Carter added that we need to be realistic on the standards that the commission sets to use the logo.

Jorge Dubcovsky talked about the classification of varieties by the quality for the preferred variety list. The reason for this list is to identify those varieties that are not adequate for milling. We must decide how complex we want to make this list. Want to make it simple with three different classes. The three classes would be excellent, standard, and not recommended for bread making quality. There are different standards for other products such as tortillas, but for now, we want to start with bread. Dubcovsky explained that each variety would have a score that is composed of milling quality 30%, baking quality 60%, and grain quality 10%. This is a proposal and the percentages can change. Another decision we must make is how many years of data do we need to establish this system. Do we do 3 years, 2 years, there are 9 locations for 45 varieties. Carter added that last years we had issues with mills complaining about the quality and when Carter visited mills, she learned that they were putting restrictions on California wheat and some were not taking any California wheat anymore. Later learned that forage varieties were being used for grain which does not have the quality for baking. There was an extensive discussion on the different components in creating this list together. A meeting before the collaborators meeting has been set where millers and breeders have been invited to give their input and we need industry's blessing to continue with this.

Schmidt presented to the board the recommendations from the steering committee. There are four things it's going to cost a total of \$18,000 which will increase our market development budget. 1. Submit our California wheat logo to the US patent and trademark office for certification mark for Ca Wheat, 2. Partner with Ca Grown, 3. Social media. 4. Connecting small grains with social media or website. Carter added that for the logo certification mark standards need to be set and will need a committee to help with this process.

Carter added that the certification mark for desert durum that we co-own with Arizona Grain and promotion council. Desert durum trademark allows handlers to use but must follow specifications. We currently do not have specifications and percentages to allow end users to use it. We have several entities who are interested in using the certification mark. Carter talked to Al Simmons executive director of Arizona Grain and Promotion Council and agreed that both Arizona and California need to form a committee to talk about if we want to have a certification mark specifically for end users. We need a committee and it could be combined for both certification mark and California wheat logo. Ron Rubin, Lee Jackson, Dennis Pelucca, and Kevin Ruble will form the committee.

Financial Reports

F/Y 17/18 Income/Expense Final Report

Carter reported to the board that the end of the FY 17/18. There was less assessment collection, higher refund requests. There was a net income of (\$210,932) and a net position, End of the year of \$661,211.

#11: MOTION WAS MADE BY STEVE WINDH AND SECONDED BY DENNIS PELUCCA TO ACCEPT THE FY 17/18 INCOME/EXPENSE FINAL REPORT AS PRESENTED. MOTION CARRIED.

F/Y 18/19 YTD Income/Expense Report

Carter went over accounts from current FY 18/19 up to date as of 8/31/18. Total income as of 8/31/18 is \$369,049. We have collected 51% of budgeted assessment collection. The lab has been doing well, been working hard so that the lab is self-sustained. She also informed the board that as of 8/31/18 we have net income of \$88,708.

F/Y 18/19 Budget Change Proposal

Carter presented her Budget Change proposal for 18/19. Carter proposed that market development is increased by \$18,000 for the social media, California wheat logo, Ca Grown, manual for good management practices. Another item that I would like to increase is office capital expense by \$8,000 to replace AC unit for office. With proposed budget changes out projected net income would be (\$255,500) and Net Position end of the year of \$405,711.

#12: MOTION WAS MADE BY RON RUBIN AND SECONDED BY DENNIS PELUCCA TO ACCEPT BUDGET CHANGE PROPOSAL. INCREASE MARKET DEVELOPMENT BY \$18,000 AND INCREASE OFFICE CAPITAL EXPENSE BY \$8,000. MOTION CARRIED.

Cash Flow Statement

Isabel Rivera reported on the cash flow statement, net income of \$88,707.80. Net cash increase as of 8/31/18 \$90,659.07. Cash on hand as of 8/31/18 \$751,869.71 (Total cash and bank accounts).

Next proposed board meeting date is December 4, or 5th and plans to have it in Southern California.

#13: MOTION WAS MADE BY JIM PARSONS AND SECONDED BY DENNIS PELUCCA TO ADJOURN MEETING. MOTION CARRIED.

Meeting Adjourned at 2:54 PM.

Respectfully submitted,

Isabel Rivera, Operations Manager

Approved by the Board on _____, 2018

Vice Chairman, Bill Cruickshank



Accepted by the Commission Board on _____

**CALIFORNIA WHEAT COMMISSION
Steering Committee Meeting
Via teleconference**

MINUTES OF August 27, 2018

OPENING BUSINESS

Call to Order

A meeting of the Steering Committee of the California Wheat Commission was held on Monday, August 27, 2018, via teleconference call. Committee Chairman Scott Schmidt called the meeting to order at 2:03 pm.

Roll Call

Roll Call was conducted. Committee members present were:

Scott Schmidt- Chairman
Lee Jackson
Ron Rubin
Bill Cruickshank
Kirk Elholm

A quorum was present.

Introduction of Guests

Guests present for all or part of the meeting included: Dr. Mark Lundy Small Grain Specialist, and David Kaisel Capay Mills

Approval of Agenda

#1: MOTION WAS MADE BY RON RUBIN AND SECONDED BY LEE JACKSON TO APPROVE THE AGENDA. MOTION CARRIED WITH NO ABSTENTIONS.

Approval of Minutes

#2: MOTION WAS MADE BY KIRK ELHOLM AND SECONDED BY LEE JACKSON TO APPROVE JULY 9, 2018 STEERING COMMITTEE MEETING MINUTES. MOTION CARRIED WITH NO ABSTENTIONS

Summary of Previous Meetings

Claudia gave a summary on items pending from the previous meeting. She spoke about the meeting that took place with Miller Milling that included herself and Nick Matteis. Miller Milling was using the California wheat logo in the past, but since then stopped when California had low crop years and could not meet the minimum percent required use of California wheat. In return they asked for a waiver to decrease the percentage from 75% to a minimum of 50%. They are very interested to continue to use the logo as a marketing tool for their operation, however they would like an agreement that is more flexible to meet their needs. They explained they are able to keep their durum semolina at 100% California wheat with no problem. However, when it comes to bread flour, they struggle to reach the minimum 75%. Scott asked what Miller Milling thought about using the logo. Claudia responded they are enthusiastic as being able to use the logo to brand their products as premium, and also to respond to the movement where consumers are interested to know where their food comes from. Lee Jackson asked if there are any other entities interested in using the logo. Claudia mentioned a pasta manufacturer who was interested in using the logo, most of their operation uses California wheat, but a facility they have out of state does not, which they would be using the same packaging for both facilities. Since conditions of the agreement could not be met, they will not be able to use the logo for their products at this time. Claudia will be promoting the use of the logo at the collaborators meeting, also to other mills when the opportunity arises. David asked if Miller Milling was using their logo at the retail level, Claudia answered they were including their products at Costco. David made a comment about the California grain campaign 20 by 20 initiative. California Grown campaign was also pitched by Nick to Miller Milling.

Initiation of California Wheat Strategic Plan

Claudia explained we are in the initial stages of setting up a preferred variety list in collaboration with Teng Vang our lab manager, Dr. Mark Lundy Small grains Specialist, and Dr. Jorge Dubcovsky UC wheat breeder. She also mentioned she invited Craig Morris from USDA office in Pullman Washington to attend the collaborator meetings, he was a key player in setting up the preferred variety list for the PNW. Claudia set up a panel meeting the day before the collaborator and invited millers and breeders to attend, Craig Morris will be in attendance to provide insight based on his experience setting up a preferred variety list. He will also be attending the collaborator meeting and presenting to all the attendees. Claudia mentioned moving forward once we are ready to move towards approval, we would have to form a board that would review and approve the final list. The board would consist of industry experts including millers and bakers, with the input from the commission. Lee asked about the progress so far, and Mark explained they are working on quality scores for milling and baking. The categories being developed are better than average, average, and worse than average, the parameters will be set with the help from industry. Mark mentioned we still have to figure out what size the groups should be, and what if any subgroups will also be formed. Lee asked if sites with negatively performing years will be included, Mark responded they data will be used as a LS mean with errors taken into consideration.

Recommendations

Claudia went over the social media proposal, which would include the management of Instagram or Facebook with boosted posts, as well as blogs. Scott asked to explain boosting, Claudia responded that it is targeted ads, that you pay extra for that would come up on feeds of the targeted audience. The social media company we are working for are flexible in services they can provide. For blogs we would be providing tag lines for them and they will be researching and writing the blogs on our behalf. We will be able to promote and post the blogs on our website as we wish. They will also be making a one-minute video for free for us, that we can use as we please. Scott asked Claudia if she feel the impact will be worth the cost to pay for the social media management. Claudia responded it will create awareness to our consumers and create more

demand. Also, she currently does it on her own, and she is not able to dedicate the time for it that it requires. We could start with either Instagram or Facebook, and blogs to see how it works out, and add more later if needed. It would be around \$5,000 to cover through the end of the fiscal year. Claudia and Scott agree that leaving to the professionals can provide better content for blogs and increase posting and followers for us.

Claudia asked Mark to explain his thoughts on putting out a best management guide. Mark mentioned to the board updating the existing small grains guide would be more of a bigger project, and we should aim to do something more focused to a specific market that would be more feasible. He mentioned a few examples of sustainability, muddy boots software, and Walmart sustainability website. Mark mentioned that to his understanding the goal is to define a sustainable market and get the information out to the public. Mark and Scott had a discussion on where the focus should be for the guidelines. They discussed the efficient use of nitrogen can be a good start to valuable information for growers. Scott mentioned that the document should be generic guidelines that we can put out to growers to send them in the right direction of best management practices. Mark will be putting together a budget on Claudia's request to get the project going. Mark mentioned it can up to \$50,000 a year to have a student take on the project to complete in an academic year for the 19/20 season. Discussion took place about the impact on glyphosate in the market, buyers are not willing to buy wheat that has over a certain amount of glyphosate residues. Ron mentioned that it's a hot topic in wheat right now, however it is not widely used in the imperial valley.

Claudia wrapped up the meeting, informed the committee we will need to ask for a budget increase at the next board meeting in order to implement all the recommendations discussed. An increase of \$3,000 to cover trademark fees including use of the lawyer. As well as an increase to start working with California Grown that is still to be determined, and \$5,000 to start the social media management. Claudia and Scott will work on drafting a letter to the board with all the recommendations to be presented at the next meeting.

Meeting adjourned at 3:03 pm.

Respectfully submitted,

Crystal Sandoval, Office Assistant

Accepted by the Commission Board on _____, 2018

Scott Schmidt, Steering Committee Chairman



Accepted by the Commission Board on _____

CALIFORNIA WHEAT COMMISSION AUDIT COMMITTEE MEETING

Minutes of Friday, August 31, 2018

OPENING BUSINESS

The Meeting was held at the California Wheat Commission office in Woodland, CA.

Call to Order

Chairman Steve Windh called the meeting of the California Wheat Commission Audit Committee to order at 3:08 PM on Friday, August 31, 2018.

Roll Call

Members present for all or part of the meeting included:

Chairman Steve Windh (via phone)
Ron Rubin (via phone)
Bill Cruickshank

A quorum was established.

Also, present Executive Director Claudia Carter, Operations Manager Isabel Rivera, and Ron Ley, principal of Damore, Hamric & Schneider.

Approval of Agenda

#1: MOTION WAS MADE BY RON RUBIN AND SECONDED BY BILL CRUICKSHANK TO APPROVE THE AGENDA AS PRESENTED. MOTION CARRIED.

The purpose of the Audit Committee is to review the results of the field audit conducted annually at the CA Wheat Commission office.

Ron Ley discussed the management letter and information about the auditor's responsibilities under generally accepted auditing standards. There were no disagreements with management. Last year's recommendations were reviewed and there was no finding with last year's recommendations. Ley also discussed internal controls, for the current year that we noted one is a control issue and the other is a

compliance with laws and regulations. Ley explained what the control issue was and what the law states. This has to do with making sure that signed W-4 forms for each employee, the IRS says that every time an employee requests a change for withholding allowances we should obtain a new W-4 form signed by that employee. As part of the internal control, someone besides the person who processes payroll should approve any changes, such as allowances changes, deleting employees, raises, etc.

Next item, CDFA requires that auditors form additional procedures outside of the normal scope of the audit. As presented in Appendix A there were some selected items that came up and questioned. It was recommended to review all travel reimbursements before approving. In case of lost itemized receipts, its required to provide additional documentation be provided. There was an instance where hotel accommodations were too high, it was agreed by management that they would include meeting agenda when attending a meeting requiring hotel accommodations. When having meals with a group of people to include names and reason for the business meal. Ron Rubin suggested that CDFA also is added to the bottom of governance letters.

Financial Statements and Independent Auditors Report

Ley reviewed the financial statements with the committee, including the assets, balance sheet, cash flow statement, and revenues, expenses, and changes in net position. The Financial Statements were all materially represented. Revenues were off almost \$200,000 this year from the assessment collections. We had a laboratory revenue of \$124,000 vs. \$94,000 from last year. Expenses were in line with the previous year. Total operating expenses were \$921,000 vs. \$840,000 from the previous year. Operating loss for the current year was \$217,000 which is the reflection of a decrease in assessment revenue vs. \$27,000 operating income from last year. We had more interest income this year \$6,200 vs. \$4,000 previous year, that brought our net loss down to \$210,000 vs. \$31,000 from the previous year. Our net position decreased about \$200,000 to \$830,000 at the end of the current year.

Overall our cash investments were down. Total assets \$875,000 vs. \$1,087,955 from last year. Total current liabilities \$44,000 vs. \$46,000 previous year. Total revenue budgeted amount was \$827,000 for the year and actual was \$710,000. The budgeted expense was \$943,000 and actual was \$921,000 which was under budget. Another financial statement is the cash flow. There are three categories in the cash flow statement, operating activities and see that we used \$200,000 from reserves to operate this year vs. last year we had an income of \$52,000. We purchased some capital assets \$10,000. Last category from investing activities and generated net income on our investments. Our net decrease in cash and cash equivalents \$160,000 with the end of year cash equivalents of \$146,000. Ron Rubin added that we will have the same issue this new fiscal year due to production being down. Reserves are \$684,000 at end of the year.

Dennis Manderfield had sent a statement and wanted the following changes to the audit documents:

NOTE 9 CONTINGENCY:

The California Wheat Commission is subject to a *required* re-approval **hearing referendum of wheat producers in the fifth year following the effective date of the marketing order and** every five years **thereafter. At that time, it is determined if the program is meeting the declared objectives and if it will be renewed for the following five years to determine if the Commission shall be continued.** The Commission was *last* reconfirmed **at a voting via a referendum conducted** in February

2018 *which authorizes the Commission* to operate through April 2023.

It was discussed that auditors will continue to include previous years recommendations in current years audit report.

Meeting Adjourned at 3:55 PM

Respectfully submitted,

Isabel Rivera, Operations Manager

Accepted by the Commission Board on _____, 2018

Steve Windh, Chairman



Accepted by the Commission

on _____

**CALIFORNIA WHEAT COMMISSION
Nominating Committee
Via teleconference**

MINUTES OF September 4, 2018

OPENING BUSINESS

Call to Order

A teleconference meeting of the Nominating Committee of the California Wheat Commission was held on Tuesday, September 4, 2018. Committee Chairman Dennis Pelucca called the meeting to order at 2:10 pm.

Roll Call

Roll Call was conducted. Committee members present on the call were:

Dennis Pelucca – Chairman
Jim Parsons
Scott Schmidt

Also, present were Claudia Carter, Isabel Rivera, and Dennis Manderfield.

Approval of Agenda

#1: MOTION WAS MADE BY JIM PARSONS AND SECONDED BY DENNIS PELUCCA TO APPROVE THE AGENDA. MOTION CARRIED.

Handler Elections

Carter reported on the election results. Commissioner nominees for District 1 John Walker got 1 vote, Alternate nominee Bryce Crawford got 1 vote. For district 4 Commissioner nominee was Dennis Pelucca and got 0 votes. District 7 Commissioner nominee Mike Carlisle got 6 votes and Alternate nominee Jordan Parsons got 5 votes. Carter added that Bryce Crawford resigned so that alternate position is currently vacant. For district 4 since Dennis Pelucca did not get any votes, per CDFA in the absence of votes we will need an approval from the board to have Pelucca on the board. Dennis Manderfield from CDFA stated that a motion from the board to reappoint Pelucca would be enough. We also had a nomination petition send for district 6 by Kevin Ruble for the

alternate position and will discuss tomorrow at the board meeting. Pelucca moved on the handler positions, letter of interest was received from Jason Dinubilo from Phil O'Connell grain for Handler 1 position. This will be brought to the board for approval. Also, the nomination committee will bring to the board recommendations for Public Member Nan Kohler and At-Large Alternate Member Steven Windh. Manderfield added what the law states regarding the public member position that "the public member should not have any financial interest in the wheat industry". After an extensive discussion, it was decided that Carter would send Manderfield, Nan Kohler's profile to make a final recommendation if she would be eligible serve as a Public Member.

Officers

Jim Parsons asked Scott Schmidt if he would be interested in accepting the Chairman position. Schmidt declined to state that he did not have time to serve as chairman. Carter added that Ron Rubin did not want to continue in the Secretary Treasure position. After a long discussion, the nominating committee decided to nominate John Walker as Chairman, and Dennis Pelucca as Secretary-Treasure.

#2: MOTION WAS MADE BY JIM PARSONS AND SECONDED BY SCOTT SCHMIDT TO ADJOURN THE MEETING. MOTION CARRIED.

Meeting adjourned at 2:44 PM

Respectfully submitted,

Isabel Rivera, Operations Manager

Accepted by the Commission on _____, 2018

Dennis Pelucca, Chairman



To: California Wheat Commission
From: TENG VANG
Date: November 30, 2018
Subject: LAB MANAGER REPORT

- Expanding wheat and flour quality testing for all regional trial locations instead of just Davis and Fresno for common wheat and durum wheat. There is a total of 7 sites per common wheat and 5 durum wheat for 2018 harvest. This will be our 2nd year running test on all sites.
 - Common wheat in Davis and Fresno regional locations are being processed at this time and will be completed early next year.
 - Durum wheat in Kern and Kings are completed for complete tests.
 - Beginning early next year, we will start processing for the rest of the regional plots for common and durum wheat (2nd year testing)
- Presented data on wheat and flour quality for the collaborator samples at the 2018 California Wheat Collaborator meeting held in October.

Training

- Two technicians from Cymmit attended a 3-days hands on training on durum milling, semolina analysis, pasta extrusion, and pasta quality. Alejandra did a awesome job training the technicians.
- December 10-12, two technicians from Mile High Mill from Lassen County will attend a 3-day hands on training on wheat and flour quality, blending, milling and baking quality for whole wheat flours.

Market Development

- On December 13-14, Claudia and I will both be at the Central Milling/Keith Giusto Bakery Supply in Petaluma, CA. With the help of Keith Giustos and Nicky Giustos, they will help bake and evaluate our California Wheat varieties for Artisan Bread Baking.

Upcoming Meeting

- Alejandra and I will both attend the PNW wheat quality council meeting on January 30 – Feb 1 2019 in Portland, Oregon. I will present the quality data on the PNW collaborator samples.

Pasta Conference and Barilla Visit – September 18 -21

Summary of findings from my trip to Italy. Please use this information for your own knowledge and do not distribute it. Thank you.

I was In Italy at the Seed-to-Pasta conference the week of September 17-21. The meeting was in Bologna. Prior to this meeting, I scheduled a meeting with Barilla at their headquarters in Parma, just north of Bologna.

During my visit to Barilla I met with Cesare Ronchi, Marco Silvestri (both work from Italy, and Greg Viers (works in the US at Ames, Iowa). My general findings after our conversation were:

- Italian government continues with their country of origin labelling; which started with consumers demand for transparency and in efforts to “protect the financial interest of Italian food producers”. This means that food manufacturers must indicate the source of the raw material used.
- For a few years now, Barilla started to work with wheat breeding entities to develop a variety specific program that will have high quality characteristic for pasta and can grow in that environment. Their top-quality variety: Aureo.
- Barilla is actually involved in activities for the improvement of farming practices:
(<https://sustainability18.barillagroup.com/>)
(<https://www.barillacfn.com/en/publications/sustainable-agriculture-and-climate-change/>)
- Barilla is now increasing the durum acres planted in Italy to approximately 400,000 acres. To ensure quality, they contract those acres with growers and provide the seed and their durum wheat cultivation manual: <https://www.barillagroup.com/sites/default/files/Handbook.pdf>
- Barilla was honest in saying they have reduced the amount of wheat they purchase from the Desert of California and Arizona. (Even though, we all know they are still buying Desert Durum).
- Glyphosate residue is a topic they mentioned several times, and this is one of the reasons why they have stopped purchasing northern Durum, for now – Canadian and Northern States.
- They emphasized the fact of knowing crop management practices of California and Arizona wheat is important for them and asked me if growers are using glyphosate.
- Finally, they said they will continue to satisfy consumers’ needs as they continue to ask questions and will make sure they are ready to provide answers.

Finally, two slides from pictures I took of their presentation during the meeting I attended to that is worth sharing with you to summarize Barilla’s message to us and the rest of the industry:

Francesco Pantò 05:51

VOIELLO Pasta and AUREO Wheat: BEST and SUSTAINABLE go hand-in-hand

1. Simply the excellence in pasta
2. Made in Caserta
3. With the best wheat in the world!



YESTERDAY
100% DESERT DURUM FROM ARIZONA
excellent wheat with
⇒ High environmental footprint

Roberto Ranieri 07:16

2010: The Aureo Case shows that top quality durum wheat can be grown out of the irrigated desert

«AUREO is a top quality durum wheat that came out from the alliance Barilla – Produttori Sementi Bologna (today Syngenta)*. It is characterized by:

- High in Protein Content, always above 15% dm,
- Very High in Gluten Strength, always above 90 "Gluten Index"
- High in yellow color content, above 24 "b"

Grown in Southern Italy, it has enabled Barilla to replace high-quality varieties grown in the South West of the USA, increasing the production and quality of the Italian supply chain and, at the same time, reducing the environmental impacts.

For example, in 2011, AUREO led to saving of more than 40 MILLION m³ of water, not to mention CO₂ emissions associated with transportation of wheat from the USA.

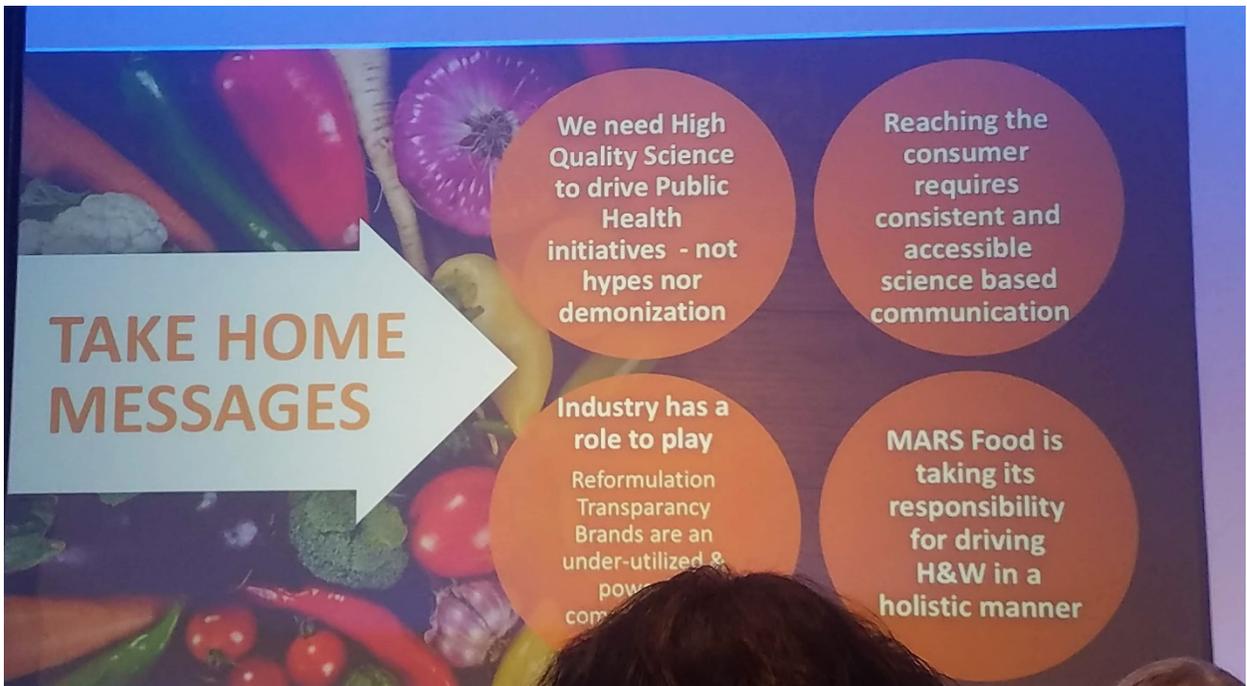
* One parent came from CIMMYT germplasm and the segregating population was looked after by University of Bologna.



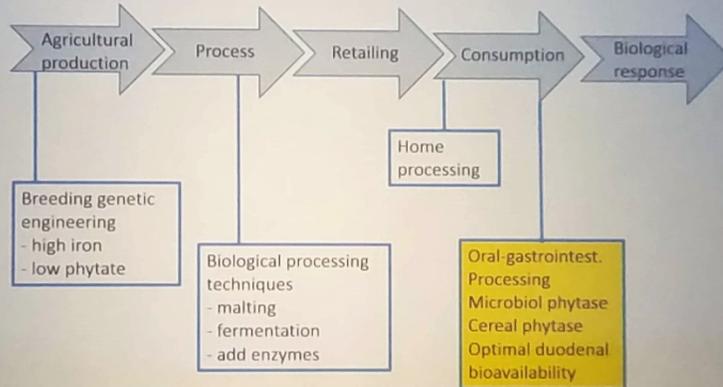
12 Source: <https://www.barillagroup.com/en/group/country/italy/and-wheat/multi-partners>

Meeting - AACCI 2018 – October 20-23

This meeting is well attended by industry and University representatives. It provides an opportunity to learn more about what the grain industry considers as challenges and opportunities in the future. The industry's main discussion was about a rapid changing consumers' buying behavior; which is driven by an increased demand for more nutritional/healthier products.



Design of foods targeting optimal bioavailability of iron and zinc



Ann-Sofie Sandberg

EIT Food's Strategic Objectives

- 1 Transparency in the supply chain
Address low consumer trust in their food
- 2 Distorted nutritional habits
Create consumer-valued food for healthier nutrition
- 3 Fragmented supply chain
Build a consumer-centric connected food system
- 4 Sustainability
Enhance sustainability through resource stewardship
- 5 Skill Gaps
Educate to engage, innovate and advance and attract new talent to food sector
- 6 Limited entrepreneurial Culture
Increase food sector entrepreneurship and innovation



Progress Report - California Wheat Strategic Plan

Short Term - CA Wheat Brand

- a. CA Grown / CA Wheat Commission Partnership – We joined as an AG Industry Organization. We will have two members participating at their meetings. Our agreement includes promotional activities (bakers, growers, millers, etc.) and a potential food service/ retail space opportunity for one user of flour made with California Wheat. They will help us increase brand awareness.

Activities: Weekend Takeover of a baker (Josey Baker or Upper Crust Baking Co.), grower/miller (Lassen County new mill). Visit to the Central Milling Artisan Baking Center.

Time frame: initial promotional activities, 3-9 weeks.

- b. Website/ Social Media – Increased social media activity. Website design proposal was reviewed, and we hired KM Design, Karen Marten. The objectives of her work with us are to 1) Redesign the website with consideration for appealing modernization and updated website; and 2) Build website features to aid in the mission of the company. Karen will also send a proposal for managing our Social Media, Blogs, and helping us to put together educational series based on the information of the Small Grain Manual.

Time frame: 9-12 weeks – Revisions and week 12 – Website launch. 12+ week, Site Maintenance.

- c. CA Wheat logo Mark – At the December 5th Board meeting, we will discuss the two option we have and the level at which we can grant permission to use the Logo. The two option regarding the logo are:
1. We set standards and file it as a Trademark – Certification Mark recognized with the ®, or
 2. We grant permission based on License Agreements; which standards can be revised.

Time frame: with option 1. 6 – 12 months; with option 2. Immediately can grant permission.

Short to Intermediate Term - California Wheat Classification

- a. Industry Committee – A day before the Collaborators Meeting, we had a meeting with millers and breeders to present the work done by our Lab and UCD researchers. California Wheat varieties were classified based on the initial classification method. Currently working to establish indexes and scoring system based on quality parameters. First meeting with the Industry Committee is scheduled for January 23, 2019. Industry Committee members:

Scott Baker and Glen Weaver from Ardent Mills
 Tim Aschbrenner from Grain Craft
 Hayley Butler from Limagrain
 Teng Vang from CWC.
 Jorge Dubcovsky and Mark Lundy, UC Davis.
 CWC Board member to be assigned

Time Frame: 1-3 months establish a classification method. 6-12 months use 2-3 years quality data to present at the 2019 Collaborators Meeting.

California Wheat Commission

Cash Flow Projection

11.30.18

	ACTUAL		ACTUAL		ACTUAL		ACTUAL		PROJECTED		PROJECTIONS							
	FY 2014-2015		FY 2015-2016		FY 2016-2017		FY 2017-2018		FY 2018-2019		FY 2019-2020							
Beginning Cash Reserve	\$	1,230,018	\$	838,853	\$	821,628	\$	866,729	\$	661,211	\$	376,523						
INCOME																		
Total Assessment Income	\$	619,028	\$	852,860	\$	765,850	\$	595,097	\$	550,000	\$	500,000						
Lab Income	\$	75,228	\$	75,002	\$	96,652	\$	124,169	\$	141,565	\$	130,000						
Other	\$	4,287	\$	3,838	\$	9,169	\$	6,330	\$	5,100	\$	4,100						
Refunds	\$	(5,401)	\$	(2,167)	\$	-	\$	(15,064)	\$	(5,000)	\$	(10,000)						
Total Income	\$	693,142	\$	929,533	\$	871,671	\$	710,532	\$	691,665	\$	624,100						
EXPENSES																		
General & Administrative	\$	327,947	47%	\$	287,151	31%	\$	269,435	31%	\$	318,927	45%	\$	333,600	48%	\$	340,000	54%
Market Development & Outreach	\$	194,054	28%	\$	78,832	8%	\$	89,440	10%	\$	83,670	12%	\$	86,000	12%	\$	50,000	8%
Laboratory Expense	\$	230,195	33%	\$	203,557	22%	\$	176,313	20%	\$	173,059	24%	\$	175,000	25%	\$	173,000	28%
Capital Expense	\$	-	0%	\$	-	0%	\$	-	0%	\$	-	0%	\$	27,753	4%	\$	2,000	0%
Research	\$	338,811	49%	\$	344,586	37%	\$	284,275	33%	\$	328,333	46%	\$	354,000	51%	\$	200,000	32%
Other Expenses (Ex. Depreciation)	\$	21,813	3%	\$	16,765	2%	\$	20,762	2%	\$	17,474	2%						
Total Expenses	\$	1,112,820		\$	930,891		\$	840,225		\$	921,463		\$	976,353		\$	765,000	
Ending Cash Reserves	\$	838,853		\$	821,628		\$	866,729		\$	661,211		\$	376,523		\$	235,623	

Note: Based on our Reserve Policy our year-end reserves needs to be minimum \$222,985

20 Years funding Research

Year	Research funds	Income	% of Income
1999	\$ 40,500	\$ 763,886	5%
2000	\$ 25,000	\$ 625,061	4%
2001	\$ 25,000	\$ 559,773	4%
2002	\$ 40,000	\$ 775,888	5%
2003	\$ 50,000	\$ 658,296	8%
2004	\$ 60,000	\$ 875,527	7%
2005	\$ 60,000	\$ 678,558	9%
2006*	\$ 104,652	\$ 655,641	16%
2007	\$ 95,989	\$ 480,739	20%
2008	\$ 78,883	\$ 873,499	9%
2009	\$ 131,417	\$ 1,493,681	9%
2010	\$ 115,000	\$ 1,123,717	10%
2011	\$ 218,000	\$ 1,096,569	20%
2012	\$ 284,130	\$ 1,223,399	23%
2013	\$ 336,493	\$ 992,263	34%
2014*	\$ 314,228	\$ 894,179	35%
2015	\$ 338,811	\$ 693,141	49%
2016	\$ 344,586	\$ 929,533	37%
2017	\$ 284,275	\$ 871,671	33%
2018	\$ 328,333	\$ 710,532	46%
Total	\$ 3,275,297		

UC Discovery Program started

UC Discovery Program ended

Increased \$ to Wheat Breeding

The UC Discovery grants provided matching funds to the breeding and testing program from 2006 to 2014.

There were two grants of 4 years each

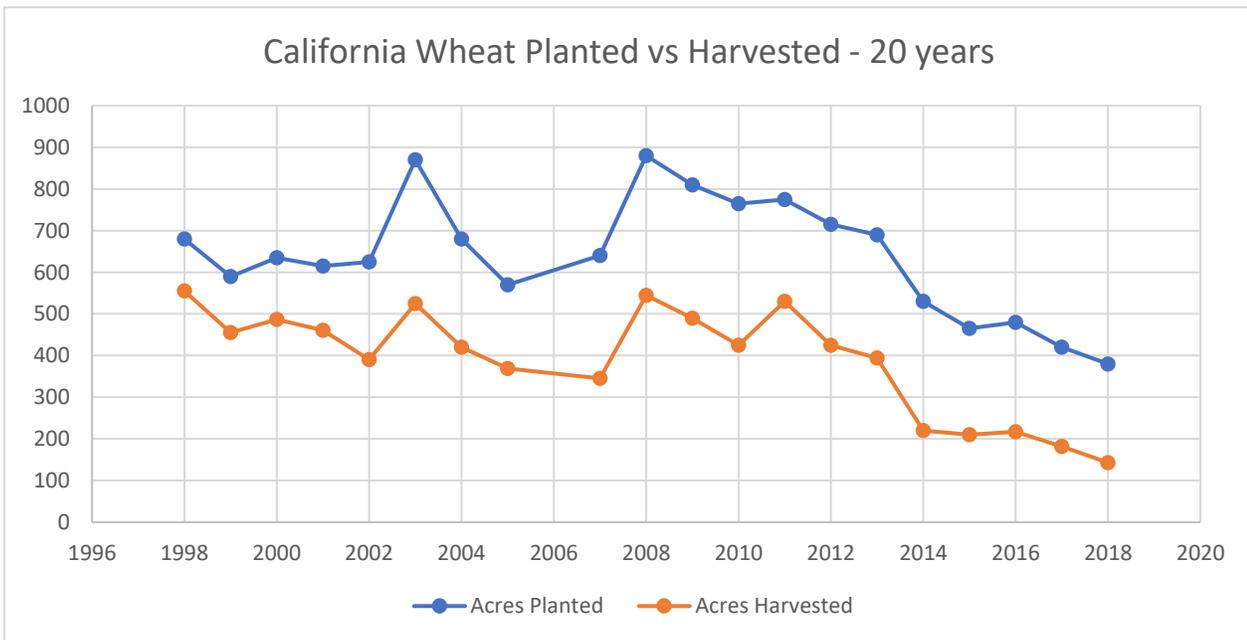
Support from UC Discover for the first 3 years was between 2007-2010 and then from 2011-2014.

In 2014 the CA state terminated the program and the CWC step up to compensate for the missing funds.

That is the point that you probably see an increase of the research funds as a %.

California Wheat Planted Acres vs Harvested Acres - 20 years

Year	Acres Planted	Acres Harvested
1998	680	555
1999	590	455
2000	635	487
2001	615	461
2002	625	390
2003	870	525
2004	680	420
2005	570	369
2007	640	345
2008	880	545
2009	810	490
2010	765	425
2011	775	530
2012	715	425
2013	690	394
2014	530	220
2015	465	210
2016	480	217
2017	420	182
2018	380	143



**CALIFORNIA WHEAT COMMISSION
ASSESSMENT HISTORY - -**

MONTH	86/87		87/88		88/89		89/90		92/93		90/91		91/92	
	\$.02/cwt		\$.02/cwt		\$.03/cwt		\$.03/cwt		\$.03/cwt		\$.03/cwt		\$.035/cwt	
MAY	\$17,706	3.4%	\$13,457	3.0%	\$9,519	1.3%	\$11,092	1.2%	\$16,015	2.4%	\$12,889	1.7%	\$53,580	7.3%
JUNE	\$18,021	6.8%	\$17,094	6.7%	\$10,356	2.8%	\$19,415	3.3%	\$16,664	4.8%	\$19,645	4.3%	\$42,440	13.1%
JULY	\$117,349	29.1%	\$85,570	25.5%	\$127,771	20.9%	\$158,022	20.1%	\$156,614	28.0%	\$100,219	17.5%	\$75,295	23.5%
AUG	\$173,163	62.0%	\$183,236	65.8%	\$304,831	64.2%	\$379,473	60.6%	\$245,096	64.4%	\$256,192	51.3%	\$213,315	52.7%
SEPT	\$78,565	76.9%	\$60,673	79.1%	\$141,112	84.2%	\$162,726	78.0%	\$76,636	75.7%	\$134,641	69.0%	\$127,018	70.0%
OCT	\$18,316	80.4%	\$22,142	84.0%	\$22,938	87.4%	\$72,761	85.8%	\$64,397	85.2%	\$55,263	76.3%	\$86,407	81.9%
NOV	\$43,425	88.6%	\$18,187	88.0%	\$24,299	90.9%	\$40,585	90.1%	\$16,730	87.7%	\$30,414	80.3%	\$23,601	85.1%
DEC	\$6,830	89.9%	\$6,746	89.5%	\$8,048	92.0%	(\$9,432)	89.1%	\$18,070	90.4%	\$25,713	83.7%	\$14,752	87.1%
JAN	\$8,447	91.6%	\$5,924	90.8%	\$8,524	93.2%	\$25,166	91.8%	\$13,303	92.4%	\$13,835	85.5%	\$12,266	88.8%
FEB	\$24,782	96.3%	\$29,323	97.2%	\$20,597	96.1%	\$41,512	96.2%	\$31,946	97.1%	\$49,310	92.0%	\$47,577	95.3%
MAR	\$11,828	98.5%	\$5,445	98.4%	\$12,715	97.9%	\$16,028	97.9%	\$8,225	98.3%	\$26,318	95.5%	\$19,590	98.0%
APR	\$7,856	100.0%	\$7,222	100.0%	\$14,538	100.0%	\$19,215	100.0%	\$11,302	100.0%	\$34,459	100.0%	\$14,573	100.0%
	\$526,289		\$455,018		\$705,249		\$936,563		\$674,999		\$758,908		\$730,413	
MONTH	93/94		94/95		95/96		96/97		97/98		98/99		99/00	
	\$.03/cwt		\$.03/cwt		\$.03/cwt		\$.03/cwt		\$.03/cwt		\$.03/cwt		\$.03/cwt	
MAY	\$19,028	2.8%	\$15,192	2.2%	\$16,011	3.0%	\$6,777	0.9%	\$33,901	4.6%	\$22,211	3.1%	\$22,714	4.0%
JUNE	\$19,039	5.6%	\$22,971	5.5%	\$39,514	10.5%	\$43,332	6.5%	\$45,017	10.7%	\$32,518	7.7%	\$18,687	7.2%
JULY	\$77,502	17.2%	\$121,291	23.1%	\$92,575	27.9%	\$177,820	29.4%	\$180,814	35.2%	\$56,434	15.7%	\$67,386	19.0%
AUG	\$213,742	48.9%	\$237,724	57.6%	\$187,029	63.2%	\$332,700	72.2%	\$283,259	73.6%	\$189,400	42.4%	\$210,098	55.8%
SEPT	\$115,032	65.9%	\$148,454	79.2%	\$86,694	79.5%	\$91,781	84.1%	\$62,297	82.0%	\$181,779	68.0%	\$110,160	75.0%
OCT	\$46,250	72.8%	\$35,459	84.3%	\$35,622	86.3%	\$30,807	88.0%	\$23,187	85.2%	\$68,583	77.7%	\$63,106	86.1%
NOV	\$36,677	78.2%	\$22,328	87.6%	\$18,584	89.8%	\$20,101	90.6%	\$17,526	87.6%	\$35,169	82.7%	\$27,857	90.9%
DEC	\$26,380	82.2%	\$8,842	88.9%	\$5,640	90.8%	\$14,860	92.5%	\$9,714	88.9%	\$26,063	86.4%	\$9,119	92.5%
JAN	\$27,410	86.2%	\$19,243	91.7%	\$8,484	92.4%	\$14,070	94.4%	\$14,596	90.8%	\$22,705	89.6%	\$5,350	93.5%
FEB	\$59,538	95.1%	\$37,823	97.1%	\$32,049	98.5%	\$23,239	97.4%	\$34,946	95.6%	\$34,248	94.4%	\$27,139	98.2%
MAR	\$21,875	98.3%	\$11,245	98.8%	\$3,925	99.2%	\$10,409	98.7%	\$17,074	97.9%	\$17,419	96.9%	\$3,275	98.8%
APR	\$11,376	100.0%	\$8,449	100.0%	\$4,192	100.0%	\$10,147	100.0%	\$15,529	100.0%	\$22,291	100.0%	\$6,911	100.0%
	\$673,849		\$689,021		\$530,319		\$776,042		\$737,860		\$708,820		\$571,801	

MONTH	00/01		01/02		02/03		03/04		04/05		05/06		06/07	
	\$.03/cwt		0.04/cwt		\$.04/cwt		\$.04/cwt		\$.04/cwt		\$.04/cwt		\$.04/cwt	
MAY	\$10,632	2.1%	\$15,430	2.0%	\$16,363	2.5%	\$9,405	1.1%	\$11,213	1.7%	\$25,690	4.0%	\$8,287	1.9%
JUNE	\$25,861	7.4%	\$28,782	5.7%	\$15,365	4.9%	\$21,768	3.7%	\$21,707	5.1%	\$11,139	5.7%	\$14,993	5.3%
JULY	\$81,096	23.8%	\$109,794	20.0%	\$87,044	18.3%	\$159,260	22.6%	\$127,742	24.7%	\$67,356	16.2%	\$80,837	23.7%
AUG	\$188,183	61.8%	\$296,463	58.6%	\$260,772	58.6%	\$288,001	56.8%	\$204,633	56.2%	\$213,122	49.3%	\$166,341	61.6%
SEPT	\$73,945	76.8%	\$71,795	67.9%	\$118,099	76.8%	\$108,602	69.7%	\$84,561	69.2%	\$110,628	66.5%	\$48,572	72.7%
OCT	\$26,171	82.1%	\$50,457	74.5%	\$51,498	84.8%	\$76,341	78.8%	\$30,169	73.8%	\$62,192	76.2%	\$30,513	79.6%
NOV	\$23,031	86.7%	\$52,450	81.3%	\$28,961	89.2%	\$37,612	83.2%	\$16,932	76.4%	\$39,147	82.3%	\$29,278	86.3%
DEC	\$14,135	89.6%	\$12,577	82.9%	\$15,459	91.6%	\$19,309	85.5%	\$24,943	80.2%	\$17,023	84.9%	\$6,526	87.8%
JAN	\$9,762	91.5%	\$31,148	87.0%	\$19,743	94.7%	\$33,284	89.5%	\$17,523	82.9%	\$21,413	88.2%	\$7,546	89.5%
FEB	\$22,127	96.0%	\$35,739	91.6%	\$28,009	99.0%	\$43,740	94.7%	\$35,013	88.3%	\$42,218	94.8%	\$30,074	96.4%
MAR	\$8,660	97.8%	\$43,213	97.2%	\$4,699	99.7%	\$19,766	97.0%	\$35,602	93.8%	\$20,914	98.0%	\$12,609	99.2%
APRIL	\$11,058	100.0%	\$21,316	100.0%	\$1,855	100.0%	\$25,257	100.0%	\$40,382	100.0%	\$12,582	100.0%	\$3,297	100.0%
	\$494,661		\$769,164		\$647,867		\$842,346		\$650,420		\$643,424		\$438,874	
MONTH	07/08		08/09		9/10		10/11		11/12		12/13		13/14	
	\$.05/cwt		Accrual method begins. \$05/cwt		\$.05/cwt		\$.05/cwt		\$.05/cwt		\$.05/cwt		\$.05/cwt	
MAY	-\$22	0.0%	\$32,476	2%	\$60,504	5.58%	\$20,500	1.9%	\$38,542	3.2%	\$38,516	4.0%	\$20,560	2.4%
JUNE	\$20,971	2.6%	\$299,935	23%	\$299,268	33.16%	\$211,343	21.0%	\$238,798	23.3%	\$305,086	35.3%	\$278,041	35.1%
JULY	\$273,435	36.2%	\$568,415	63%	\$314,075	62.11%	\$474,756	64.1%	\$390,968	56.1%	\$360,093	72.3%	\$295,267	69.9%
AUG	\$280,284	70.7%	\$255,674	80%	\$98,140	71.15%	\$189,184	81.2%	\$260,621	77.9%	\$61,845	78.7%	\$77,979	79.1%
SEPT	\$111,799	84.5%	\$68,392	85%	\$44,579	75.26%	\$53,064	86.0%	\$69,461	83.7%	\$34,928	82.3%	\$38,490	83.6%
OCT	\$36,152	88.9%	\$49,849	89%	\$48,796	79.76%	\$40,035	89.7%	\$66,233	89.3%	\$41,025	86.5%	\$22,987	86.3%
NOV	\$15,830	90.9%	\$8,703	89%	\$32,616	82.76%	\$12,452	90.8%	\$11,707	90.3%	\$11,460	87.7%	\$10,430	87.5%
DEC	\$17,617	93.0%	\$15,415	90%	\$23,696	84.95%	\$15,162	92.2%	\$18,978	91.9%	\$24,267	90.2%	\$17,142	89.5%
JAN	\$7,824	94.0%	\$79,898	96%	\$55,468	90.06%	\$53,357	97.0%	\$69,396	97.7%	\$59,915	96.3%	\$44,938	94.8%
FEB	\$28,070	97.5%	\$18,329	97%	\$16,593	91.59%	\$11,365	98.0%	\$10,517	98.6%	\$14,735	97.8%	\$18,701	97.0%
MAR	\$13,032	99.1%	\$19,046	99%	\$13,824	92.86%	\$3,774	98.4%	\$1,063	98.7%	\$6,652	98.5%	\$13,435	98.6%
APRIL	\$7,591	100.0%	\$20,959	100%	\$77,435	100.00%	\$18,027	100.0%	\$15,892	100.0%	\$14,474	100.0%	\$11,897	100.0%
	\$812,582		\$1,437,091		\$1,084,994		\$1,103,021		\$1,192,175		\$972,994		\$849,864	

MONTH	14/15		15/16		16/17		17/18		18/19	
								cumulative percentage of total budget		cumulative percentage of total budget
	\$.06/cwt		\$.075/cwt		\$.075/cwt		\$.075/cwt		\$.075/cwt	
MAY	\$33,791	5.5%	\$23,259	2.7%	\$32,423	4.2%	\$31,495	5.3%	\$12,506	2.1%
JUNE	\$191,432	36.4%	\$285,959	36.3%	\$168,660	26.2%	\$160,877	32.3%	\$115,047	21.3%
JULY	\$190,406	67.1%	\$225,065	62.6%	\$162,565	47.5%	\$209,369	67.5%	\$177,575	50.9%
AUG	\$30,260	72.0%	\$46,090	68.1%	\$94,317	59.8%	\$52,399	76.3%	\$91,735	66.1%
SEPT	\$42,346	78.9%	\$11,984	69.5%	\$32,530	64.0%	\$25,199	80.5%	\$17,282	69.0%
OCT	\$23,521	82.7%	\$38,732	74.0%	\$54,644	71.1%	\$17,209	83.4%	\$26,914	73.5%
NOV	\$16,127	85.3%	\$17,383	76.0%	\$36,902	75.9%	\$7,609	84.7%		73.5%
DEC	\$24,746	89.3%	\$33,490	80.0%	\$55,146	83.1%	\$22,203	88.4%		73.5%
JAN	\$39,228	95.6%	\$64,424	87.5%	\$67,341	91.9%	\$28,302	93.2%		73.5%
FEB	\$7,046	96.7%	\$33,303	91.4%	\$36,462	96.7%	\$14,830	95.7%		73.5%
MAR	\$6,150	97.7%	\$43,939	96.6%	\$12,302	98.3%	\$7,484.97	96.9%		73.5%
APRIL	\$13,974	100.0%	\$29,232	100.0%	\$13,069	100.0%	\$18,412	100.0%		73.5%
									\$441,060	as of 8/31/18
	\$619,028		\$852,860		\$ 766,361		\$ 595,387		\$ 600,000	← budget

Based on Projected FY1819

CWC Reserve Policy/Options

3-year moving average of Budget for FY18/19

	FY 18/19	FY17/18	FY16/17	FY 15/16	3 year average of 16/17, 15/16, & 14/15	25% of 3-year average	35% of 3 year average	Cash at end of 11/20/18
Total Budgeted Income	691,665	689,900	\$ 677,100	\$ 877,100	\$ 748,033	\$ 187,008	\$ 261,812	
Total Budgeted Expenses	\$ 961,353	\$ 881,194	\$ 894,360	\$ 979,942	\$ 918,499	\$ 229,625	\$ 321,475	
Total Budgeted Net Income	\$ (269,688.00)	\$ (191,294.00)	(217,260.00)	(102,842.00)				
Actual Income		710,532.33	871,671.00	\$ 929,533.00	\$ 837,245	\$ 209,311	\$ 293,036	
Actual Expenses		921,463.91	840,227.70	\$ 914,127.00	\$ 891,940	\$ 222,985	\$ 312,179	\$ 619,601.84
Actual Net Income		(210,931.58)	31,443.30	15,406.00				

* Total expenditures approved on the final budget for the respective FY

Net Position, End of Year \$ 305,711.00

EXCERPT of December 4, 2007 minutes:

A discussion on an “adequate” amount of cash reserves took place. Reserves of ~\$200,000 have been considered a “good” number; however they have been as low as \$25,000 in earlier years.

September 10, 2015 meeting

Commissioners reviewed and clarified its reserve policy from 2007 to read: Year-end reserves shall be a minimum of 25% of a 3-year moving average of actual expenses, subject to the discretion of the Executive Committee. Further, a committee was formed to discuss different budget scenarios to be presented for further discussion at the December meeting.



To: CALIFORNIA WHEAT COMMISSION
From: CRYSTAL SANDOVAL
DATE: December 5, 2018
SUBJECT: OFFICE ASSISTANT

NEWSLETTERS

- Quarterly newsletters are continually sent out, and we are receiving positive feedback.
- Email marketing directed toward growers have been receiving the highest views

SOCIAL MEDIA

- Hired a new social media management company in September (**Get Prospero**)
- Managing Instagram and blogs
 - Instagram <https://www.instagram.com/californiawheat/>
 - Blogs are posted on <https://medium.com/@californiawheat>
 - As well as our website <https://www.californiawheatcommission.org/>
- Instagram following has grown from 200 to over 1,900 in the short time.
- They have also put together a one minute introductory video that is posted on our socials as well as our website. Bill Cruickshank volunteered some of his time, and participated in the video.
 - You can find the video on our website <https://www.californiawheatcommission.org/>
- Get Prospero had increased our following significantly since first hiring them on, however since this is our first time working with a social media company we were not as prepared going in, now that we have learned more ourselves we realize they are not a good fit to fulfill our needs, and the lack of communication has made it difficult to work with them.
- We have ceased services effective on November 30, 2018, and are looking for a new social media management firm to continue services with.

Report to Logo/Trademark Committee

Background

2013 – the California Wheat Commission established a License agreement and granted permission to one mill in California to use the California Wheat logo. The agreement read that “the product in the package shall contain no less than 75% California-grown wheat”.

2014 – due to decreased wheat production in the state, the mill was not able to meet the 75% requirements and requested to the Commission a waiver to 50% California-grown wheat. The Commission approved their request.

Due to my knowledge, the mill is not currently using the logo but would like to come back and request permission to use it.

Since the Steering Committee discussion, recommendations were provided to move forward and Trademark the California Wheat logo and to include standards describing the use of the logo.

At the April 2018 meeting a Logo/Trademark Committee was established.

I have contacted industry and requested their feedback regarding the standards they might suggest helping us establish the trademark based on California wheat usage numbers at their operations.

Findings

An email was sent out to all the mills in California. I received feedback from two mills, so far. Their suggestions:

- Mill one suggested we look into the Organic Labeling Standards system already established by USDA. They have four categories of labeling based on product composition & the labeling specifications for each are summarized below:
 - “100 percent organic”
 - “Organic”
 - “Made with Organic...”
 - Specific Ingredient ListingTo learn more about this: <https://www.ams.usda.gov/grades-standards/organic-labeling-standards>
- Mill two provided information regarding their current blends. Durum for their semolina is 100% California Wheat. For tortilla blends, they have seen as low as 20% California wheat. For bread, there is very little California wheat in their blends. Some customers requiring low protein blends, they can accomplish it with California wheat. They would like to utilize the CA Wheat logo for all their flours. Based on our conversation:
 - 75% too high
 - 50% difficult to maintain
 - 25% ideal and possible to maintain across all their flours.
- The California Grain Campaign efforts are in the 20% range. The goal of their efforts is that by 2020, the products sold at the farmers market have at least 20% California grains. To learn more about it: <https://californiagrains.com/20-by-2020-campaign/>

Wheat Flour Milling Capacity by mills in California

California remains as the largest wheat milling state by capacity. Our domestic market in California is significant and certainly an opportunity to grow. I found information regarding the mills in California and their capacity from the 2019 Grain and Milling publication. The mills without flour description, I was not able to find any information regarding of what type of flours they produce. My guess is that most of those also are Hard/Soft flour mills.

Mills	City	Capacity (cwts)	Flours
#1 Ardent Mills	Colton	11,500	Hard
	San Bernardino	18,500	Hard/Durum/Soft
	Stockton	15,000	Hard
#2 Miller Milling	Oakland	14,000	Hard/WW
	Fresno	9,500	Hard/Durum/WW/Organic
	Commerce- LA	14,000	Hard/Soft
#3 Grain Craft	Los Angeles	14,800	
ADM	Los Angeles	11,100	
General Mills	Los Angeles	10,700	
Bay State Milling	Woodland	752	Hard/Durum/WW
Lacey Milling	Hanford	2,000	
Giusto's	S San Francisco	2,000	Hard/Soft/WW
Sunnyland Mills	Fresno	450	Durum
TOTAL		124,302	

In addition, the mills also made a point that any additional information we will have regarding how wheat is grown in California, as general practices, will help to set our mark. This might include:

- Sustainability message
- Crop rotation, crop management, glyphosate usage, etc.
- Any other important aspect on what makes our wheat unique will add value to the mark.

Report to Logo/Trademark Committee

Final Report December 3, 2018

- Flexibility to adjust the standards
- We discussed a minimum of 25% due to low wheat production, as an acceptable level.
- Level needs to be reasonable and flexible – specifically the minimum accepted level of California wheat blend.
- License Agreement will be drafted to be granted with specific term agreement? 3 years?
- We are owners of the California Wheat Certification Mark but is NOT a REGISTERED mark. We are not allowed to use the ® symbol after California Wheat.
- We can allow others to use our California Certification Mark, but we need to set the standards.
- We can try to file our Certification Mark with different levels of standards. Jill is not sure if they will accept them or not. She said we can try.
- We will need to terminate our License Agreement with Miller Milling and start the a new one with the new standards.

My suggestions

Short Term solution to get our Brand moving forward:

If the Board would like to have flexibility in changing the standards to allow permission to use the California Wheat logo in a product, then we stay with a License Agreement which has the standards established. I suggest we establish it at 25% minimum of California Wheat. This needs to be approved by the Board at this meeting.

The Board will need to decide how often they will review the standards in the License Agreement.

Other Updates

- USDA additional funding - Commodity Board Topics and Funding Under AFRI.
- Exclusive Variety Releases by UC Davis – Central Red and Desert Gold.
- Mixograph Purchase – Donation from Miller Milling \$5,000 and Ardent Mills \$5,000. Industry Donation Total of \$10,000. The Commission will pay ~ \$12,000. Equipment total is \$22,000.
- CIMMYT collaboration Research Projects.
- Central Milling – Keith Giusto.
- School Lunches – in partnership with industry to help bring school lunches with more locally grown products/ made with California wheat.

CALIFORNIA WHEAT COMMISSION
FY YTD 18/19 Income/Expense Report

	FY 2018/19 APPROVED 8.31.18 \$.075/cwt	YTD 2018/19 60% of FY (as of 11/30/18) \$.075/cwt	% of Budget	FY 2018/19 PROJECTED end 4.30.19
INCOME:				
401. ASSESSMENTS	\$600,000	\$441,060	74%	\$550,000
402. INTEREST	\$4,000	\$4,695	117%	\$5,000
403. OTHER INCOME	\$100	\$0	0%	\$100
407. LABORATORY				
CROP QUALITY	\$10,000	\$16,565	166%	\$16,565
LABORATORY ANALYSIS (+Training)	\$125,000	\$84,980	68%	\$125,000
405. REFUNDS	(\$10,000)	(\$4,360)	44%	(\$5,000)
TOTAL INCOME	\$729,100	\$542,940	74%	\$691,665
EXPENSES:				
GENERAL & ADMINISTRATIVE				
501. SALARIES	\$253,000	\$125,298	50%	\$253,000
502. STAFF EXPENSE	\$3,000	\$2,811	94%	\$3,000
503. OFFICE EXPENSE	\$8,000	\$4,020	50%	\$6,000
504. OFFICE SERVICES	\$10,000	\$6,434	64%	\$10,000
506. INSURANCE	\$15,000	\$5,904	39%	\$15,000
508. PROFESSIONAL SERVICES	\$18,500	\$12,106	65%	\$16,000
509. CDFA	\$19,500	\$6,628	34%	\$19,500
513. COMM MTGS	\$6,000	\$2,316	39%	\$6,000
516. CONDOMINIUM FEES	\$4,100	\$2,024	49%	\$4,100
521. Building Maintenance	\$1,000	\$349	35%	\$1,000
TOTAL G&A EXPENSES	\$338,100	\$167,890	50%	\$333,600
RESEARCH				
601. RESEARCH CONTRACTS	\$339,000	\$251,250	74%	\$354,000

CALIFORNIA WHEAT COMMISSION
FY YTD 18/19 Income/Expense Report

	FY 2018/19 APPROVED 8.31.18 \$.075/cwt	YTD 2018/19 60% of FY (as of 11/30/18) \$.075/cwt	% of Budget	FY 2018/19 PROJECTED end 4.30.19
MARKET DEVELOPMENT/OUTREACH				
505. INFORMATION/MEMBERSHIP	\$3,500	\$3,490	100%	\$3,500
510. CAWG CONTRACT	\$20,000	\$13,334	67%	\$20,000
512. COMM EXPENSE	\$6,500	\$255	4%	\$1,500
600. TECHNICAL SERVICES	\$4,500	\$7,072	157%	\$7,500
602. PUBLICATIONS	\$4,000	\$464	12%	\$500
603. TRADE TEAMS	\$1,500	\$0	0%	\$0
604. MARKET DEVELOPMENT	\$30,000	\$14,815	49%	\$25,000
605. USWA	\$15,000	\$7,263	48%	\$15,000
621. WHEAT VARIETY SURVEY	\$4,000	\$0	0%	\$3,000
624. OUTREACH	\$12,000	\$7,184	60%	\$10,000
TOTAL MARKET DEVELOPMENT	\$101,000	\$53,877	53%	\$86,000
LABORATORY				
617. LABORATORY				
SALARIES	\$150,000	\$89,419	60%	\$150,000
OPERATING EXPENSE	\$40,000	\$18,113	45%	\$25,000
TOTAL LAB	\$190,000	\$107,531	57%	\$175,000
OTHER				
626. CAPITAL EXPENSE				
OFFICE	\$8,000	\$7,140	4%	\$7,200
LABORATORY	\$8,500	\$20,553	242%	\$20,553
TOTAL CAPITAL EXPENSE	\$16,500	\$27,693	168%	\$27,753
526. Reimbursed Expenses				
529. Bad Debt				
524. Depreciation Expenses				
TOTAL EXPENSES	\$984,600	\$608,242	62%	\$976,353
NET INCOME	(\$255,500)	(\$65,302)		(\$284,688)
Adjustments to reconcile Net Income				
Net Cash by Operating Activities				
Net Cash by Investing Activities				
Net Cash Increase for Period				
Changes In Net position:				
Net Position, Beginning of Year	\$661,211	\$661,211		\$661,211
Net Position, End of Year	\$405,711			\$376,523

**CALIFORNIA WHEAT COMMISSION
FY 18/19 Budget Change Proposal**

	FY 2018/19 APPROVED 8.31.18 \$.075/cwt	YTD 2018/19 60% of FY (as of 11/30/18) \$.075/cwt	% of Budget	FY 2018/19 BCP	FY 2018/19 PROPOSED 12.5.18
INCOME:					
401. ASSESSMENTS	\$600,000	\$441,060	74%	(\$50,000)	\$550,000
402. INTEREST	\$4,000	\$4,695	117%		\$4,000
403. OTHER INCOME	\$100	\$0	0%		\$100
407. LABORATORY					
CROP QUALITY	\$10,000	\$16,565	166%	\$6,565	\$16,565
LABORATORY ANALYSIS (+Training)	\$125,000	\$84,980	68%		\$125,000
405. REFUNDS	(\$10,000)	(\$4,360)	44%		(\$10,000)
TOTAL INCOME	\$729,100	\$542,940	74%		\$685,665
EXPENSES:					
GENERAL & ADMINISTRATIVE					
501. SALARIES	\$253,000	\$125,298	50%		\$253,000
502. STAFF EXPENSE	\$3,000	\$2,811	94%		\$3,000
503. OFFICE EXPENSE	\$8,000	\$4,020	50%		\$8,000
504. OFFICE SERVICES	\$10,000	\$6,434	64%		\$10,000
506. INSURANCE	\$15,000	\$5,904	39%		\$15,000
508. PROFESSIONAL SERVICES	\$18,500	\$12,106	65%		\$18,500
509. CDFA	\$19,500	\$6,628	34%		\$19,500
513. COMM MTGS	\$6,000	\$2,316	39%		\$6,000
516. CONDOMINIUM FEES	\$4,100	\$2,024	49%		\$4,100
521. Building Maintenance	\$1,000	\$349	35%		\$1,000
TOTAL G&A EXPENSES	\$338,100	\$167,890	50%		\$338,100
RESEARCH					
601. RESEARCH CONTRACTS	\$339,000	\$251,250	74%	\$15,000	\$354,000

**CALIFORNIA WHEAT COMMISSION
FY 18/19 Budget Change Proposal**

	FY 2018/19 APPROVED 8.31.18 \$.075/cwt	YTD 2018/19 60% of FY (as of 11/30/18) \$.075/cwt	% of Budget	FY 2018/19 BCP	FY 2018/19 PROPOSED 12.5.18
MARKET DEVELOPMENT/OUTREACH					
505. INFORMATION/MEMBERSHIP	\$3,500	\$3,490	100%		\$3,500
510. CAWG CONTRACT	\$20,000	\$13,334	67%		\$20,000
512. COMM EXPENSE	\$6,500	\$255	4%		\$6,500
600. TECHNICAL SERVICES	\$4,500	\$7,072	157%		\$4,500
602. PUBLICATIONS	\$4,000	\$464	12%		\$4,000
603. TRADE TEAMS	\$1,500	\$0	0%		\$1,500
604. MARKET DEVELOPMENT	\$30,000	\$14,815	49%		\$30,000
605. USWA	\$15,000	\$7,263	48%		\$15,000
621. WHEAT VARIETY SURVEY	\$4,000	\$0	0%		\$4,000
624. OUTREACH	\$12,000	\$7,184	60%		\$12,000
TOTAL MARKET DEVELOPMENT	\$101,000	\$53,877	53%		\$101,000
LABORATORY					
617. LABORATORY					
SALARIES	\$150,000	\$89,419	60%		\$150,000
OPERATING EXPENSE	\$40,000	\$18,113	45%		\$40,000
TOTAL LAB	\$190,000	\$107,531	57%		\$190,000
OTHER					
626. CAPITAL EXPENSE					
OFFICE	\$8,000	\$7,140	89%		\$8,000
LABORATORY	\$8,500	\$20,553	242%	\$12,000	\$20,500
TOTAL CAPITAL EXPENSE	\$16,500	\$27,693	168%		\$28,500
526. Reimbursed Expenses					
529. Bad Debt					
524. Depreciation Expenses					
TOTAL EXPENSES	\$984,600	\$608,242	62%		\$1,011,600
NET INCOME	(\$255,500)	(\$65,302)			(\$325,935)
Adjustments to reconcile Net Income					
Net Cash by Operating Activities					
Net Cash by Investing Activities					
Net Cash Increase for Period					
Changes In Net position:					
Net Position, Beginning of Year	\$661,211	\$661,211			\$661,211
Net Position, End of Year	\$405,711				\$335,276

California Wheat Commission
Cash Flow Statement
5/1/2018 to 11/30/2018

NET INCOME/EXPENSE \$ (65,301.96)

Adjustments to reconcile Net Income
to net cash provided:

By Operations:

Assessments Receivable	\$ 18,356.51
Customer Invoices (receivables)	\$ (12,176.25)
Prepaid Contracts	\$ (333.34)
Prepaid Expenses	\$ 12,299.70
Accounts Payable	\$ (412.67)
Pension Payable	\$ (27,439.34)

NET CASH INCREASE/DECREASE AS OF 11/30/18 \$ (75,007.35)

(Net Income +/- adjustments)

The Cash Flow Statement accounts for actual cash flows in and out of CWC. If income or an expenditure is not accounted for on the *current* FY Income/Expense report, then adjustments are made on the Cash Flow Statement to account for changes in cash position.

BEGINNING CASH (as of 5/01/2018)

Edward Jones CD	\$ 513,000.00
Edward Jones MM	\$ 769.83
RVCTY-MM	\$ 53,477.00
Tri Counties Bank MM	\$ 92,959.53
Tri Counties Bank Checking	\$ 1,004.28

TOTAL OF BEGINNING CASH \$661,210.64

TOTAL CASH as of 11/30/18 \$ 586,203.29

(Net cash provided by activities + beginning cash)

CASH ON HAND (as of 11/30/18)

Edward Jones CD	\$ 415,000.00
Edward Jones MM	\$ 1,114.93
RVCTY-MM	\$ 53,544.29
Tri Counties Bank MM	\$ 111,987.63
Tri Counties Bank Checking	\$ 4,556.44

TOTAL CASH AND BANK ACCOUNTS \$586,203.29

CERTIFICATES OF DEPOSIT

MATURITY DATE	BANK	TERM	INTEREST RATE	VALUE
EDWARD JONES				
12/28/2018	Bank of Birmingham	9 MO	1.90	\$ 207,000.00
3/5/2019	Peoples Utd Bk Bridgeport Ct	6 MO	2.00	\$ 208,000.00
(Interest paid at intervals into money market)				\$ 415,000.00

MONEY MARKET ACCOUNTS

BANK	RATE	VALUE
Edward Jones MM	0.70	\$ 1,114.93
River City Bank MM	0.25	\$ 53,544.29
TriCounties Bank MM	0.18	\$ 111,987.63
		\$ 166,646.85

TOTAL	\$581,646.85
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Updated 11/30/18

VACATION SUMMARY AS OF 11/30/18					
Name	Hire Date	Yearly Vacation Rate (days)	Maximum Accrual Rate (Days)	Amount accrued as of 11/30/18 (days)	Vacation Liability as of 11/30/18
Teng Vang	02/12/07	20	40	36.31	\$ 9,060.07
Isabel Rivera	01/01/13	15	30	18.00	\$ 3,742.56
Claudia Carter	6/15/2014	20	40	8.02	\$ 3,546.76
Crystal Sandoval	8/15/2016	10	20	10.16	\$ 1,259.84
Alejandra Andrade	1/3/2017	10	20	7.05	\$ 817.80
					\$ 18,427.04
TOTAL					
prepared by IR					