



California Wheat Commission  
1240 Commerce Ave., Suite A, Woodland, CA 95776  
**Financial Advisory Committee Meeting Wednesday, March 13, 2019 (3:00pm)**

## 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>

	<u>Call In</u>	<u>Attending</u>
Ron Rubin	X	
Bill Cruickshank		X
Michael Edgar	X	
Roy Motter	X	
Scott Schmidt	X	
Steve Windh	X	



## **Financial Advisory Committee Meeting Notice**

Sent and posted March 1, 2019

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### **Via Teleconference Call**

<b>DATE:</b>	<b>Wednesday, March 13, 2019</b>
<b>TIME:</b>	<b>03:00 P.M.</b>
<b>ACCESS NUMBER:</b>	+1 408 638 0968 (US Toll) or +1 646 558 8656 (US Toll)
<b>PASSCODE/ Meeting ID:</b>	466 870 1284
<b>Or Join with the link:</b>	<a href="https://zoom.us/j/4668701284">https://zoom.us/j/4668701284</a>
<b>LOCATION:</b>	1240 Commerce Ave. Suite A Woodland, CA 95776

*Board Members wishing to participate in the meeting VIA TELECONFERENCE CALL must notify Isabel Rivera via email to ([irivera@californiawheat.org](mailto: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**

- I. Call to order/ Roll call/ Establish Quorum
- II. Public Comments
- III. Approval of Agenda
- IV. Review of Strategic Audit and Action Plan - Jeff Manning
- V. FY 18/19 Financials
- VI. FY 19/20 Budget Discussion and Recommendations
- VII. Other Administrative Issues
- VIII. Public comments
- IX. Adjourn

*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](mailto: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 are available on the Internet at [www.californiawheat.org](http://www.californiawheat.org)*

PROPOSAL  
CALIFORNIA WHEAT COMMISSION  
STRATEGIC AUDIT & ACTION PLAN  
February 2019



**Objective:** Increase the return on funds invested in the CWC.

**Background:**

- The CWC was formed in 1983 to address “wheat quality and protein issues in the state.”
- Subsequently, the mission was expanded to “develop and maintain domestic and international markets.”
- Recently a Long-Term Strategic Plan was developed covering the 2018-2022 period.
- It set forth four overriding goals and the specific strategies for accomplishing each.
- Given the very limited funding available to the CWC, it is judged pivotal to measure and maximize the return of every generic dollar spent.
- This will not only increase the ROI to the industry, but make the CWC a more vibrant, valuable and viable organization.

**Approach:**

- This proposes a simple, cost effective and well tested approach. It has three stages: 1) Immersion, 2) Conclusions/Implications, 3) Action/timeline.
- This approach has been employed successfully across a number of commodity boards, including The National Potato Board, the Beef Industry Council, the Cherry Marketing Institute and, the Utah Farm Bureau.

Phase I Immersion: Phase I is not simply a review of materials and discussions with stakeholders. It involves digging deep below the surface and challenging the strategic

underpinning of the organization. No issue or topic is “off limits”. The immersion is a highly objective, apolitical process leading directly to a series of conclusions and, in turn, implications. Below are some of the key areas to be addressed.

- **Mission:** Specifically, it is critical to explore the original CWC mission and how it has evolved. The single most important and disruptive issue that arises in Phase I among commodity boards is a “reality gap” between the mission statement and the budget. Unless these are closely aligned, success is very difficult to measure and achieve.
- **Marketing Order:** The wording of the marketing order is critically important. It defines the legal parameters for the commission. The marketing order must be aligned with the mission and stated objectives of the commission. This is an area of commodity board programs that is often overlooked, at least until a conflict arises.
- **Acreage & Production Trends:** The actual number of acres under production, and the volume these acres produce, is important because of the implications. Why is acreage and volume shifting and how does that connect to the efforts of the CWC? Has the acreage by variety of wheat changed and, if so, how and why?
- **Assessment Revenues/Grants:** Unless the assessment structure has changed, CWC revenues will be directly related to production. Sometimes grants add to the revenues. Are the revenues sufficient to reasonably achieve the mission and stated goals? If revenues have declined substantially, what are the reasons and should new objectives be set?
- **Competition & Comparisons:** Simply defining the competition is a valuable exercise. Is it wheat from outside our borders and what advantages do they have? Price, milling qualities, blending attributes? Is non-milling use of California wheat also the competition? If so, why is more wheat not going to milling. Are there lessons to be learned from other California commodity boards or commissions, e.g., highly cost- efficient programs or very focused objectives?
- **National Wheat Program:** The interrelationship between national and state marketing orders can be complex. It is well worthwhile exploring not just what the national group is doing, but how that could positively impact the CWC plans.
- **Programs Assets, Results & Measurement Tools:** What has the CWC accomplished over the past five (5) fiscal years and what tools are in place to measure performance going forward? This process should be as empirical as possible, avoiding soft measures. What assets can the CWC claim? Are they proprietary and make the organization more valuable?
- **Strategic Plan:** The 2018-2022 Strategic Plan is a vital document. A close and objective assessment of its target audiences, goals and directions may surface areas of potential focus and increased returns.
- **Selective Interviews:** Often a few, very selective interviews will reveal key insights. These should be done with staff, a key board member, a major baker and the CDFA. (For perspective, I have worked closely with both Dennis Manderfield and Bob Maxie at the CDFA.)

Phase II Conclusions/Implications: The conclusions and implications will address all of the core issues raised in Phase I. To foreshadow, given the very limited budget, Phase II will focus on identifying objectives and actions that are absolute top priorities.

Phase III Action Plan: A very clear, concise set of actions will be recommended. These will be accompanied by rationale, measurement tools and a time- line.

Costs/Timing: It is estimated that the CWC Strategic Audit will take 6 days. This will include preparation of a final report and power point presentation. I recommend one additional day to present the report to the board. Seven days at \$1,000/day results in a total budget of \$7,000. Travel and out of pocket costs will be minimal and pre-approved. I promise a very high return on this investment and would be honored to work with the CWC.

Background on Manning: Jeff Manning is best known as the “Godfather” of Got Milk? He served as the executive director of the California Milk Processor Board for its first decade. Prior to Got Milk?, Manning worked on a range of commodity boards including: beef, eggs, potatoes, raisins, prunes and dairy. He also served as the CMO for the Cherry Marketing Institute. He launched Got Manning?, a marketing consultancy, in 2006. His focus is to add significant value to both mature categories and brands.

**GOAL ONE**

## Implement Wheat Quality Classification – In Progress

Objectives

1. Develop wheat quality parameters to be considered for California wheat.
2. Evaluate and classify by quality all wheat varieties grown in California.
3. Implement a certification program for varieties with enhanced wheat quality traits.

For Bread products: We have started our California Preferred Variety List with industry guidance. The First list will be published at the 2019 Collaborator's Meeting. The list will be reviewed annually. Next products to evaluate are Tortillas and Pasta products. Certification programs have not been explored; however, discussion with a few partners have mentioned specific programs such: Food Alliance (sustainability certification), and verification of specific wheat varieties and its quality through our Lab.

Performance measures

After the first year that the list has been published and publicized, we will work on a measurement report regarding the effectiveness of the list in our industry.

**GOAL TWO**

## Gain Knowledge about current California markets – Need to start

Objectives

1. Learn the current and potential ways that wheat adds value.
2. Learn how California wheat meets the needs of wheat buyers in California and other states.
3. Learn about the current obstacles California wheat faces.

Knowledge gained has only been by conversations with key industry representatives. My findings:

- California wheat was known for its reliable and high-test weight, water absorption, medium to high protein content. The variety quality traits they prefer are like Yecora Rojo.
- California wheat has higher Viscosity values than wheat grown in other States, that helps when blended for dough batters.
- California wheat is currently used at not more than 10% in the blended flours.
- If California wheat performs as good as a midwestern Hard Red Spring wheat to compensate for the loss in protein quality on other wheats, the mills could use more.
- California biggest challenge is wheat availability and fluctuation of production from one year to another. Consistency in supply is key to our customers.
- Even though the high-water absorption is key to our customers, they do not want to work with California wheat as they are not able to obtain enough supply to maintain the blends. The fluctuation in wheat supply causes a drastic change in their blends and water absorption; which causes issues to their customers.

Performance measures

If we decide to pursue studies to gain knowledge of our customers' needs and studies in areas that will give us an advantage in the wheat market place, then we can utilize those studies as a benchmark and performance measurement.

### **GOAL THREE**

Promote and Protect the desirable wheat quality characteristic of California wheat

#### Objectives

1. Create a Communication Program
2. Identify Potential Partners
3. Open new and maintain markets, prevent marketing disruptions
4. Expand education efforts

#### Activities in progress:

- Milling Companies that support California wheat – Central Milling, and potentially Miller Milling. Central Milling Already signed Logo License Agreement.
- Shepherd's Grain – They have shared interest in partnering with us to help develop relations with School Lunches and to expand this program. Meeting on March 18<sup>th</sup>, 2019.
- Social Media efforts are paying off. We are highly active on Instagram and LinkedIn. Thanks to our continuous publications, we now have ~2,000 followers on Instagram and some LinkedIn posts have reached ~10,000 views.
- Started to host Three Open Houses a year. Millers, bakers, growers, handlers, and other public institutions have already been part of this event.
- We started to offer Wheat Quality Courses. The first one is scheduled for June 3-5, 2019.
- Meeting, hosting, and visiting with bakeries, pasta manufacturers, and others in the food industry have helped to promote and to educate about California wheat.
- Inviting customers/ potential customers to our Lab. Nippon Flour Mills, Bayview Pasta, Semolina L.A., and more.

#### Performance measures

- Instagram followers from 200 to ~2,000
- LinkedIn visibility and engagement has increased from 200 to > 5,000 views
- Newsletters are sent quarterly, and views increased from 300 to > 1,000 views.
- Active and engaging discussion with potential partners was initiated.

### **GOAL FOUR**

**Increase engagement and Partnership**

#### Objectives

1. Strengthen Commission's support to Research in specific topics.
2. Expand and incorporate tools to improve efficiency of existing programs.
3. Identify potential partners to add value to California Wheat.

Most of these objectives are related to previous Goals and their respective objectives. The most important objective is to add value to California wheat.

**CALIFORNIA WHEAT COMMISSION - FY 19/20 BUDGET PROPOSAL**

	<b>FY 2017/18 ACTUAL <i>(as of 04/30/18)</i> \$.075/cwt</b>	<b>FY 2018/19 APPROVED <i>12.5.18</i> \$.075/cwt</b>	<b>YTD 2018/19 <i>as of 3.8.19</i> \$.075/cwt</b>	<b>FY 2018/19 PROJECTED <i>End of FY 18/19</i> \$.075/cwt</b>	<b>FY 2019/20 PROPOSED \$.075/cwt</b>
<b>INCOME:</b>					
401. ASSESSMENTS	\$595,097	\$500,000	\$547,597	\$560,000	\$500,000
402. INTEREST	\$6,205	\$4,000	\$5,869	\$6,000	\$4,000
403. OTHER INCOME	\$125	\$100	\$100	\$100	\$100
407. LABORATORY					
CROP QUALITY	\$12,310	\$16,565	\$16,565	\$16,565	\$10,000
LABORATORY ANALYSIS (+Training)	\$111,859	\$125,000	\$94,405	\$115,000	\$120,000
405. REFUNDS	(\$15,064)	(\$10,000)	(\$4,360)	(\$5,000)	(\$10,000)
<b>TOTAL INCOME</b>	<b>\$710,532</b>	<b>\$635,665</b>	<b>\$660,176</b>	<b>\$692,665</b>	<b>\$624,100</b>
<b>EXPENSES:</b>					
<b>GENERAL &amp; ADMINISTRATIVE</b>					
501. SALARIES	\$231,422	\$253,000	\$174,793	\$210,000	\$257,422
502. STAFF EXPENSE	\$3,320	\$3,000	\$2,819	\$3,000	\$2,500
503. OFFICE EXPENSE	\$7,737	\$8,000	\$5,132	\$6,000	\$7,000
504. OFFICE SERVICES	\$10,110	\$10,000	\$8,864	\$10,000	\$10,000
506. INSURANCE	\$11,580	\$15,000	\$6,883	\$10,000	\$15,000
508. PROFESSIONAL SERVICES	\$13,367	\$18,500	\$13,146	\$14,000	\$14,500
509. CDFA	\$21,321	\$19,500	\$10,001	\$19,500	\$22,000
513. COMM MTGS	\$5,646	\$6,000	\$3,647	\$6,000	\$6,000
516. CONDOMINIUM FEES	\$4,722	\$4,100	\$3,035	\$4,500	\$4,500
521. Building Maintenance	\$9,702	\$1,000	\$349	\$500	\$500
<b>TOTAL G&amp;A EXPENSES</b>	<b>\$318,927</b>	<b>\$338,100</b>	<b>\$228,670</b>	<b>\$283,500</b>	<b>\$339,422</b>
<b>RESEARCH</b>					
601. RESEARCH CONTRACTS	\$328,333	\$339,000	\$307,083	\$339,000	



**CALIFORNIA WHEAT COMMISSION - FY 19/20 BUDGET PROPOSAL**

	<b>FY 2017/18 ACTUAL <i>(as of 04/30/18)</i> \$.075/cwt</b>	<b>FY 2018/19 APPROVED <i>12.5.18</i> \$.075/cwt</b>	<b>YTD 2018/19 <i>as of 3.8.19</i> \$.075/cwt</b>	<b>FY 2018/19 PROJECTED <i>End of FY 18/19</i> \$.075/cwt</b>	<b>FY 2019/20 PROPOSED \$.075/cwt</b>
<b>MARKET DEVELOPMENT/OUTREACH</b>					
505. INFORMATION/MEMBERSHIP	\$3,137	\$3,500	\$3,950	\$4,000	\$6,000
510. CAWG CONTRACT	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
512. COMM EXPENSE	\$6,415	\$6,500	\$255	\$500	\$2,500
600. TECHNICAL SERVICES	\$4,749	\$4,500	\$7,072	\$7,100	\$5,000
602. PUBLICATIONS	\$4,953	\$4,000	\$464	\$500	\$500
603. TRADE TEAMS	\$1,394	\$1,500	\$0	\$0	\$0
604. MARKET DEVELOPMENT	\$10,221	\$30,000	\$22,232	\$30,000	\$15,000
605. USWA	\$19,950	\$15,000	\$10,894	\$15,000	\$15,000
621. WHEAT VARIETY SURVEY	\$2,773	\$4,000	\$3,021	\$3,500	\$3,500
624. OUTREACH	\$10,078	\$12,000	\$11,278	\$12,000	\$10,000
<b>TOTAL MARKET DEVELOPMENT</b>	<b>\$83,670</b>	<b>\$101,000</b>	<b>\$79,166</b>	<b>\$92,600</b>	<b>\$77,500</b>
<b>LABORATORY</b>					
617. LABORATORY					
SALARIES	\$143,559	\$150,000	\$118,491	\$140,000	\$145,000
OPERATING EXPENSE	\$29,500	\$40,000	\$24,304	\$30,000	\$35,500
<b>TOTAL LAB</b>	<b>\$173,059</b>	<b>\$190,000</b>	<b>\$142,795</b>	<b>\$170,000</b>	<b>\$180,500</b>
<b>OTHER</b>					
626. CAPITAL EXPENSE					
OFFICE	\$0	\$8,000	\$8,061	\$8,000	\$0
LABORATORY	\$0	\$20,500	\$20,553	\$20,600	\$0
<b>TOTAL CAPITAL EXPENSE</b>	<b>\$0</b>	<b>\$28,500</b>	<b>\$28,614</b>	<b>\$28,600</b>	<b>\$0</b>
526. Reimbursed Expenses					
529. Bad Debt					
525. Depreciation Expenses	\$17,474				
<b>TOTAL EXPENSES</b>	<b>\$921,464</b>	<b>\$996,600</b>	<b>\$786,328</b>	<b>\$913,700</b>	<b>\$597,422</b>
<b>NET INCOME</b>	<b>(\$210,932)</b>	<b>(\$360,935)</b>	<b>(\$126,152)</b>	<b>(\$221,035)</b>	<b>\$26,678</b>
Adjustments to reconcile Net Income					
Net Cash by Operating Activities	(\$214,151)				
Net Cash by Investing Activities	8632.56				
Net Cash Increase for Period	(\$205,518)				
<b>Changes In Net position:</b>					
Net Position, Beginning of Year	\$866,729	\$661,211	\$661,211	\$661,211	\$440,176
Net Position, End of Year	\$661,211	\$300,276	\$535,059	\$440,176	\$466,854

**California Wheat Commission**  
**Cash Flow Statement**  
**5/1/2018 to 3/8/19**

**NET INCOME/EXPENSE** \$ (126,151.86)

Adjustments to reconcile Net Income  
to net cash provided:

**By Operations:**

Assessments Receivable	\$ 18,356.51
Customer Invoices (receivables)	\$ (7,534.25)
Prepaid Contracts	\$ (28,250.01)
Prepaid Expenses	\$ 8,009.70
Accounts Payable	\$ (1,800.85)
Pension Payable	\$ (27,439.34)

**NET CASH INCREASE/DECREASE AS OF 3/11/19** \$ (164,810.10)

(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 3/11/2019** \$ 496,400.54

(Net cash provided by activities + beginning cash)

**CASH ON HAND (as of 3/31/2018)**

Edward Jones CD	\$ 367,000.00
Edward Jones MM	\$ 192.84
RVCTY-MM	\$ 53,578.04
Tri Counties Bank MM	\$ 73,754.14
Tri Counties Bank Checking	\$ 1,875.52

**TOTAL CASH AND BANK ACCOUNTS** \$496,400.54

## CERTIFICATES OF DEPOSIT

MATURITY DATE	BANK	TERM	INTEREST RATE	VALUE
<b>EDWARD JONES</b>				
03/05/19	Peoples Utd BK Bridgeport Ct	6 MO	2.00	\$ 208,000.00
07/22/19	Pacific Westn Bk Beverly Hills	6 MO	2.40	\$ 159,000.00
	(Interest paid at intervals into money market)			\$ <b>367,000.00</b>

## MONEY MARKET ACCOUNTS

BANK	RATE	VALUE
Edward Jones MM	0.01	\$ 192.84
River City Bank MM	0.15	\$ 53,578.04
TriCounties Bank MM	0.18	\$ 73,754.14
		\$ <b>127,525.02</b>

<b>TOTAL</b>	<b>\$494,525.02</b>
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Updated 3/08/19

<b>VACATION SUMMARY AS OF 3/8/19</b>					
Name	Hire Date	Yearly Vacation Rate (days)	Maximum Accrual Rate (Days)	Amount accrued as of 3/8/19 (days)	Vacation Liability as of 3/8/19
Teng Vang	02/12/07	20	40	39.31	\$ 9,808.63
Isabel Rivera	01/01/13	15	30	13.63	\$ 2,833.95
Claudia Carter	6/15/2014	20	40	9.02	\$ 3,989.00
Crystal Sandoval	8/15/2016	10	20	10.16	\$ 1,259.84
Alejandra Andrade	1/3/2017	10	20	7.43	\$ 861.88
					<b>\$ 18,753.31</b>
<b>TOTAL</b>					
prepared by IR					

# FY 19/20 Assessment Projections

Report Date 3.8.19

## SCENARIO 1 - Variety Survey DRAFT Results - Preliminary

2019-2020 Variety Survey DRAFT Results - assessment: \$.075/cwt				
<small>Based on 2019 CWC Variety Survey DRAFT results</small>				
	ACRES PLANTED	ACRES HARVESTED	YIELD T/ACRE	TOTAL
WINTER WHEAT	325,000	146,250	2.21	323,213 tons
DURUM	15,000	13,500	2.89	39,015 tons
				<small>Based on 90% Imperial, 90% SJV (~90%); USDA avg 5 yr. yield = 2.89</small>
<b>Total</b>	<b>340,000</b>	<b>159,750</b>		<b>362,228 tons</b>
	<b>COLLECTIONS</b>			X.90
				326,005 tons
	<b>ASSESSMENT RATE</b>			\$1.50 /ton
	<b>TOTAL ASSESSMENT REVENUES</b>			<b>\$489,007</b>

## SCENARIO 2

2019-2020 Assesment Projection DRAFT Results - assessment: \$.075/cwt				
<small>Based on USDA Winter Wheat Seeding report 2/8/2019 and 10-yr Avg Acres harvested</small>				
	ACRES PLANTED	ACRES HARVESTED	YIELD T/ACRE	TOTAL
WINTER WHEAT	330,000	158,400	2.21	350,064 tons
<small>Harvested acreage based on estimates Avg 10 yr (~48% harvested statewide); USDA yield 5-yr Avg = 2.21</small>				
DURUM	15,000	14,250	2.89	41,183 tons
<small>Used Harvested acres based on ~95%; USDA 5-yr Avg yield = 2.89</small>				
<b>Total</b>	<b>345,000</b>	<b>172,650</b>		<b>391,247 tons</b>
	<b>COLLECTIONS</b>			X.90
				352,122 tons
	<b>ASSESSMENT RATE</b>			\$1.50 /ton
	<b>TOTAL ASSESSMENT REVENUES</b>			<b>\$528,183</b>

## SCENARIO 3

2019-2020 Assesment Projection DRAFT Results - assessment: \$.075/cwt				
<small>Based on USDA Est. Acres Planted report 2/8/2019 and 5-yr Avg Acres harvested</small>				
	ACRES PLANTED	ACRES HARVESTED	YIELD T/ACRE	TOTAL
WINTER WHEAT	330,000	135,300	2.23	301,719 tons
<small>Harvested acreage based on estimates Avg 5 yr (~42% harvested statewide); USDA yield = 2.23</small>				
DURUM	15,000	14,250	2.89	41,183 tons
<small>Used Harvested acres based on ~95%; USDA yield = 2.89</small>				
<b>Total</b>	<b>345,000</b>	<b>149,550</b>		<b>342,902 tons</b>
	<b>COLLECTIONS</b>			X.90
				308,611 tons
	<b>ASSESSMENT RATE</b>			\$1.50 /ton
	<b>TOTAL ASSESSMENT REVENUES</b>			<b>\$462,917</b>

To setup Assessment For FY	Grain Production Year	Grain Production value \$	1% of value	Production Forecast Year	Production Forecast Tons	Assessment Forecast					
						Actual \$1.5/ton	\$1.6/ton	\$1.7/ton	\$1.8/ton	\$1.9/ton	\$2/ton
15/16	2014	\$ 128,000,000	\$ 1,280,000	2015	500,000	750,000	800,000	850,000	900,000	950,000	1,000,000
17/18	2016	\$ 89,226,000	\$ 892,260	2017	460,050	690,075	736,080	782,085	828,090	874,095	920,100
18/19	2017	\$ 67,854,000	\$ 678,540	2018	370,000	555,000	592,000	629,000	666,000	703,000	740,000
Projections 19/20	2018	\$ 64,380,000	\$ 643,800	2019	325,000	487,500	520,000	552,500	585,000	617,500	650,000

Article 6. 72101. The commission shall, not later than April 30 of each year, establish the assessment for the following year beginning May 1 and ending April 30. In no event shall the combined assessment of the commission and any other state authorized wheat production research and market program exceed 1 percent of the gross dollar value of the year's sale of wheat by all producers to handlers. The commission shall establish producer gross dollar value through rules and regulations. (Amended by Stats. 1985, Ch. 1004, Sec. 22. Effective September 26, 1985.)

Note: The orange color means we have exceeded the 1% of the value.

Grain Production Value \$\$ comes out from USDA report - this number has not been reported for 2018. However, USDA already reported the CA wheat production.

Production Forecast will come out later this year as well. For this report, The 19/20 production forecast is only a guess.

USDA 2018 CA wheat production reported at 11,600,000 bu.

2018 production 348000 tons if price was \$185/ton \$ 64,380,000 \$ 643,800

## Production Projection CWC vs. USDA - 10 years

	Assessment Fee	Assessment Collected	Projected Production		Actual Production based on Assessment Collected	Based on Projected CWC	Based on Projected USDA
			CWC	USDA			
Year	\$/ton	\$(1000)	Tons (1000)				
2018	1.5	555	333	348	370	37	22
2017	1.5	596	467	372	397	-70	25
2016	1.5	767	400	519	511	111	-8
2015	1.5	854	540	500	569	29	69
2014	1.2	619	500	551	516	16	-35
2013	1.0	850	940	975	850	-90	-125
2012	1.0	973	1050	1156	973	-77	-183
2011	1.0	1192	1075	1416	1192	117	-224
2010	1.0	1103	900	1088	1103	203	16
2009	1.0	1085	980	1288	1085	105	-203

# Based on Projected FY1819 CWC Reserve Policy/Options

3-year moving average of Budget for FY19/20

	FY 18/19	FY17/18	FY16/17	FY 15/16	3 year average of 17/18, 16/17, & 15/16	25% of 3-year average	35% of 3 year average	Cash at end of 3/08/19
Total Budgeted Income	635,665	689,900	\$ 677,100	\$ 877,100	\$ 748,033	\$ 187,008	\$ 261,812	
<b>Total Budgeted Expenses</b>	\$ 996,600	\$ 881,194	\$ 894,360	\$ 979,942	\$ 918,499	\$ 229,625	\$ 321,475	
Total Budgeted Net Income	\$ (360,935.00)	\$ (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	
<b>Actual Expenses</b>		921,463.91	840,227.70	\$ 914,127.00	\$ 891,940	\$ 222,985	\$ 312,179	
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      \$ 300,276.00**

**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.



## FY 18/19 Valuation of Non-Billed CWC Laboratory Services Provided for Research

### UC Breeding and Field Trials (Research)

UC Regional Trials (Durum) 132 samples @\$200	\$	26,400.00
UC Regional Trials (Common Wheat) 369 X \$150	\$	55,350.00
UC Regional Trials (Common Wheat Mixograph) 82 X \$30	\$	2,460.00
Water Nitrogen Management (164 samples @ \$150)	\$	24,600.00
J Dubcovsky Breeding Program (Durum) 93 x \$200	\$	18,600.00
J Dubcovsky Breeding Program (Common Wheat) 91 x \$150	\$	13,650.00
A Del Blanca Durum Wheat Kernel Size Quality (Durum Wheat) 24 x \$200	\$	4,800.00

### UC Organic Trials (Research)

A Krill-Brown Organic Trials (Common Wheat) 19 x \$150	\$	2,850.00
K Mathesius Organic Trials (Common Wheat) 7 x \$150	\$	1,050.00
<b>Subtotal UC Programs</b>	<b>\$</b>	<b>149,760.00</b>

### Collaborator Meeting (Research)

Collaborator Mtg testing from CWC lab (Durum) 8 @ \$200	\$	1,600.00
Collaborator Mtg (Common Wheat) 33 @ \$150	\$	4,950.00
Mi Rancho Control Sample for Tortilla Test 1 x \$80	\$	80.00
<b>Subtotal Collaborator Meeting</b>	<b>\$</b>	<b>6,630.00</b>

### Pacific Northwest Wheat Quality Council (Research)

36 samples @ \$150 (Complete Test)	\$	5,400.00
36 samples @ \$60 SRC	\$	2,160.00
36 samples @ \$50 Alveograph	\$	1,800.00
36 samples @ \$30 Mixograph	\$	1,080.00
	<b>\$</b>	<b>10,440.00</b>

Cymmit Soft Durum Wheat (Durum Wheat) (Research) 30 x \$200	<b>\$</b>	<b>6,000.00</b>
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### USDA (Research)

C Morris Soft Durum Wheat (Exp. Flour Milling, Flour Protein, Flour Ash, Wet Gluten, Gluten Index, Falling number, Mixograph, Flour) 3 x \$260	<b>\$</b>	<b>780.00</b>
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**Total: \$ 173,610.00**

\* US Wheat reimburses CWC 25% for the use of CA crop quality data in their USW CQ report. (The reimbursement (and other indirect costs) show up on the Income statement: Lab/Crop quality, so are not included here).  
AZ durum samples are totally reimbursed: 75% from AGRPC and 25% from U.S. Wheat.

## FY 18/19 Valuation of Non-Billed CWC Laboratory Services Provided for Market-Development

### Crop Quality Samples (Market Development)

SJ Durum Crop Quality 114 samples @ \$200	\$	22,800.00
SJ Durum Crop Quality 114 samples (Sedimentation) @ \$10	\$	1,140.00
SJ Durum Crop Quality 114 samples (Mixograph) @ \$30	\$	420.00
Composite SJ Durum CQ (18 samples @ \$200)	\$	3,600.00
Composite SJ Durum CQ (18 samples Sedimentation @ \$10)	\$	180.00
Composite SJ Durum CQ (18 samples Mixograph @ \$30)	\$	540.00
	<b>\$</b>	<b>28,680.00</b>

CA Desert Durum Crop Quality (75% of 22 samples @ \$200)	\$	3,300.00
CA Desert Durum Crop Quality (75% of 22 samples Sedimentation @ \$10)	\$	165.00
CA Desert Durum Crop Quality (75% of 22 samples Mixograph @ \$30)	\$	495.00
Composite CA Desert Durum CQ (75% of 15 samples @ \$200)	\$	2,250.00
Composite CA Desert Durum CQ (75% of 15 samples Sedimentation @ \$10)	\$	112.50
Composite CA Desert Durum CQ (75% of 15 samples Mixograph @ \$30)	\$	337.50
	<b>\$</b>	<b>6,660.00</b>

HRW Crop Quality (*75% of 198 samples @ \$150)	\$	22,275.00
HRW Crop Quality (*75% of 198 samples Sedimentation @ \$10)	\$	1,485.00
Composite HRW Crop Quality (*75% of 23 samples @ \$150)	\$	2,587.50
Composite HRW Crop Quality (*75% of 23 Sedimentation @ \$10)	\$	172.50
Composite HRW Crop Quality (*75% of 23 samples Alveograph @ \$50)	\$	862.50
Composite HRW Crop Quality (*75% of 23 samples SRC @ \$60)	\$	1,035.00
Composite HRW Crop Quality (*75% of 23 samples Mixograph @ \$30)	\$	517.50
Composite HRW Tortilla Test (23 samples @ \$50)	\$	1,150.00
	<b>\$</b>	<b>30,085.00</b>

HWW Crop Quality ( 22 samples @ \$150)	\$	3,300.00
HWW Crop Quality ( 22 samples Sedimentation @ \$10)	\$	220.00
Composite HWW Crop Quality ( 8 samples @ \$150)	\$	1,200.00
Composite HWW Crop Quality ( 8 samples Sedimentation @ \$10)	\$	80.00
Composite HWW Crop Quality ( 8 samples Alveograph @ \$50)	\$	400.00
Composite HWW Crop Quality ( 8 samples SRC @ \$60)	\$	480.00
Composite HWW Crop Quality ( 8 samples Mixograph @ \$30)	\$	240.00
Composite HWW Tortilla Test (8 samples @ \$50)	\$	400.00
	<b>\$</b>	<b>6,320.00</b>

### Outside Services

Lab Analysis (used outside services)	\$	402.00
2 samples - Amylograph, Extensograph, Starch Damage, Vomitoxin		
Desert Drum Milling NDSU (75% of 15 samples @ \$80)	\$	900.00
Composite SJ Durum Milling NDSU (18 samples @ \$80)	\$	1,440.00
	<b>\$</b>	<b>2,742.00</b>

Dennis Pelucca (1 Durum wheat sample @ 200)	\$	200.00
Larry Hunn (1 sample Common Wheat package, Mixograph, Alveograph)	\$	230.00

Corki Sherwood (2 samples Common Wheat Package, Mixograph, Alveograph)	\$	460.00
Keith Giustos (11 samples, Common Wheat package, Mixograph, Alveograph)	\$	2,530.00
Nan Kohler (4 samples, Common wheat package - samples milled into whole wheat)	\$	600.00
	\$	4,020.00

**Subtotal Marketing \$ 78,507.00**

\* US Wheat reimburses CWC 25% for the use of CA crop quality data in their USW CQ report. (The reimbursement (and other indirect costs) show up on the Income statement: Lab/Crop quality, so are not included here).  
 AZ durum samples are totally reimbursed: 75% from AGRPC and 25% from U.S. Wheat.