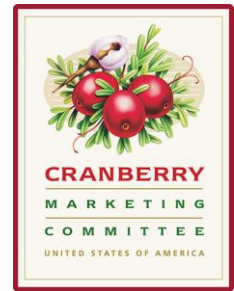


**2018 CMC ANNUAL WINTER MEETING MINUTES
THE RITZ-CARLTON, PENTAGON CITY, ARLINGTON, VA
FEBRUARY 12TH & 13TH, 2018**



MONDAY, FEBRUARY 12, 2018

The CMC 2018 Winter Meeting was called to order by Chairman Rezendes on Monday, February 12, 2018 at 8:00 a.m. at the Ritz-Carlton, Pentagon City, Arlington VA. The Chair requested the CMC's Executive and Financial Assistant call the roll. Chairman Rezendes seated Mr. Poinsett for Mr. Gerber as the independent voting member for district 2, and Mr. Hatton for Mr. Glenn, as the major cooperative voting member for District 4 and reported a quorum was present. Chairman Rezendes requested Doris Jamieson, the CMC's USDA Marketing Specialist, to provide the committee with the Anti-Trust Guidelines statement prior to the start of the meeting.

<u>Member</u>	<u>P/A</u>	<u>Member</u>	<u>P/A</u>	<u>Alternate</u>	<u>P/A</u>
Larry Harju	P	Adrienne Mollor	P	George Rogers	P
Parker Mauck	P	Jim Rezendes	P	Dawn Gates-Allen	P
Stephen Lee	P			Joe Darlington	P
Tom Gerber	A			William Poinsett	P
Vicki Nemitz	P	Jim Van Wychen	P	Gary Jensen	A
Jill Amundson	P	David Bartling	P	Martin Potter	P
Frank Glenn	A			Kevin Hatton	P
Alex Ells	P			Jesse Rezin	P
George Bussmann	P			Ron Puhl	P
Thomas O'Guinn, Ph. D	P			D. Steven White, Ph. D	P

The Chair began the meeting reviewing the Rules of Order. Chairman Rezendes noted the only agenda change was Dr. Amy Howell will give her presentation immediately following today's lunch break. The Chair welcomed the attending USDA members to the meeting, Sonia Jimenez, Deputy Administrator; Charles Stephens, Associate Deputy Administrator and Fiona Pexton, Marketing Specialist, Program Services, MOAD.

APCQ UPDATE AND VOLUME REGULATION DISCUSSION

Kevin Connolly, APCQ General Manager and President of the Quebec Growers Association gave an update on the Quebec cranberry industry.

Quebec’s total acreage in 2017 was 9,828 up 326 acres from the prior year, with a total production of 1,602,671 bbls. Like all other growing areas, Quebec production was down from the 2,758,936 barrels that were produced in 2016, equivalent to -42%. Organic production in acres increased 447 acres over the prior year, and produced 255,000 barrels of organic cranberries, down significantly from 405,000 barrels from the 2016 harvest.

Mr. Connolly concluded his presentation with a brief update on the APCQ’s marketing that included a plan aimed at significantly increasing their visibility through social media, radio and television. In addition, 15 “cooking with cranberries” classes were held at 7 different chef schools.

MARKETING POLICY

Parker Mauck lead the Committee review of the Q1 Position Summary Reports for CY’2017. The Committee completed the marketing policy with a total US production estimate of 8 million barrels and an estimated carry-over as of August 2018 of 7.1 million barrels.

2018 CROP YEAR MARKETING POLICY

Domestic Production (Averaged)	Committee Forecast February 2018
	<i>Bbls</i>
Massachusetts	2,100,000
New Jersey	488,000
Wisconsin	5,783,000
Oregon	447,000
Washington	150,000
TOTALS	8,968,000
	<i>Bbls</i>
Carry-In as of 09/01/2018	8,026,000
Production & Acquired	
Estimated Domestic Production	8,013,000
Estimated Foreign Acquisitions	1,755,000
Total Production & Acquisitions	9,769,000
Available Supply	17,795,000

Estimated Shrinkage	
2% of Carry-In	161,000
4% Est. of Production/Acquisitions	391,000
Shrinkage	551,000
Adjusted Supply	17,244,000
Utilization	
Fresh Fruit	324,000
Processing Fruit	9,196,000
Total Sales/Usage	10,053,000
Estimated Adjusted Carryover 08/31/19	7,190,000
Inventory as a % of sales	72%

Ms. Amundson noted the committee already voted and approved the Producer Allotment, therefore it should be noted in the marketing policy. Chairman Rezendes stated that the Marketing Policy will reflect the 2018 Producer Allotment volume regulation that was recommended by the Committee at our August 2017 meeting in Long Beach, WA, and will show adequate carryover as our marketing quantity.

2017 & 2018 VOLUME REGULATION UPDATES

Doris Jamieson, the CMC's USDA Marketing Specialist updated the Committee and noted that USDA is still in the rulemaking process and there are no additional updates. Ms Jamieson thanked everyone that submitted approximately 120 comments, and it's understood the industry's need to get both the 2017 Handler Withhold and the 2018 Producer Allotment volume regulations finalized as quickly as possible. The rule for the 2017 Handler Withhold has already been published for comment and USDA is currently addressing and evaluating the comments they have received. The 2018 Producer Allotment is in the drafting stage awaiting any possible modification to the free and restricted percentage and the Marketing Policy data that will be developed at this meeting.

Several committee members voiced their concerns to the attending USDA guests and emphasized the importance and immediate need for a decision on both the handler withhold and the producer allotment. The sooner these decisions are made will lessen the impact to all growers, and handlers alike. Each day that goes by the impact becomes greater and greater. Ms Hogan, the CMC's Executive Director stated work will begin on the producer allotment program in March as we await the decision from the USDA.

NEW/OLD BUSINESS

CRANBERRY INSTITUTE UPDATE

Terry Humfeld, the Cranberry Institute's Executive Director, provided an update to the Committee on projects currently being funded by the CMC. These projects included:

- The SAB (Scientific Advisory Board) met on September 26, 2017 in Plymouth, MA. Among the discussions was the significance of a recent positive review in the *Journal of Urology*, which focused on the prevention of recurrent UTI and it was suggested that a longer term research project might be in order that would focus on the long term relationship of UTI and cranberry.
- An update was provided on completed and ongoing projects that the CMC has contributed to as an industry funding partner
- A proposal was submitted requesting funding for the 2019 Cranberry Health Research Conference

HEALTH RESEARCH COMMITTEE UPDATE

Ms Amundson, Chair of the Health Research Committee provided an update of the three conference call meetings held since inception of this subcommittee in August 2017 and are as follows;

- Next phase of the health study that will be conducted in China
- Protocols of future CMC's research funding. Currently the budget for funding health research projects is set in February, after which it is handed over to the attending CMC member, officer, staff that will be attending the March CI meeting. However, the health research committee feels that the health research professionals should be recommending the projects for funding. The subcommittee concluded the CMC should remain a funding partner, and it is not our role to manage health research.
- The subcommittee agreed the CI has a process in place which should be utilized. However, the need to develop a CMC protocol for communication and funding commitments for future research projects still need to be determined.

ASSESSMENT REVIEW SUBCOMMITTEE

This subcommittee was formed at the August 2017 CMC bi-annual meeting but it has not met due to lack of interest to pursue increasing the assessment during the current state of the industry. Most feel the growers have taken enough of a hit, however the subcommittee will remain. Chair Rezendes stated he will not disband this subcommittee because the CMC budget will continue to be affected due to volume regulation through 2018 and will get worse for 2019. Additionally financial support through the Section 32 Bonus Buy and FAS funding is expected to be tighter in the near future and the CMC may not have any choice but to look at increasing the assessment in order to fund our programs.

FORMAL AND INFORMAL RULEMAKING UPDATE

Executive Director Hogan gave an update on the Formal through Informal §929 rule change request that began roughly 1 ½ years ago that would authorize the Committee to receive and expend voluntary contributions from domestic sources. Contributed funds would be used solely for research and development activities authorized under the order. This did not pass by vote this past December, 2017. Currently, it is going through the channels once again.

As approved at our August 2017 meeting, the handler report modification to replace “inside and outside of districts sales” and replace it with tracking sales for “fresh, concentrate and processed” separately is in channels and has been sent to OMB. We expect to see this modification approved shortly. Once this rule has been published industry will receive a hard copy by mail.

TRADE POLICY ISSUES UPDATE

Matt Lantz, BCI began his presentation with a discussion on current Tariff Issues and followed up with Trade Agreements. Additional update information provided by Mr. Lantz included;

TARIFF ISSUES

- Weber Shandwick - Brussels, who assisted the industry’s original duty suspension, continues to work on our behalf to ensure the SDC duty suspension remains in place since we are upon the five year duty suspension renewal for dried cranberries in the EU. On December 31, 2017 the EU officially extended the duty suspension for SDC’s. Although the end result was what was desired, the EU reserves the right to revoke duty suspension whenever it sees fit, and it is anticipated that this issue will be further debated in early 2018 that may result another possible effort by the European Commission to withdraw the duty suspension in 2019. Weber Shandwick has proposed additional funds for continuing work on this issue and will seek to address any concerns with the EU, and approach the relevant offices in the European Commission to address any inquiries put forth.
- The cranberry industry, as well as other agricultural groups are cooperating with the US government on the NAFTA talks and continue to stress the importance of maintaining this agreement. Additional trade agreement discussions by the current administration were held in early January 2018.

- We continue to monitor potential amendments and modifications to the United States-Korea Free Trade agreement (KORUS FTA). In 2012 we exported \$5 million dollars in products to Korea; currently we export over \$13 million, a significant increase since the agreement's completion.
- There was some unwelcomed news out of India regarding tariffs. Every March during their budget talks, they have the legal right to change tariff percentages, up to and including 85%. In early February it was announced that the 2018 tariff on cranberry concentrate had been increased from 30 to 50%. However, the tariff for SDC's will remain at 10%. BCI will continue to monitor any changes that would drastically affect this target market.

TRADE POLICY ISSUES

- Work continues on addressing the Codex quinclorac cranberry MRL. In response to the EU concerns on the compound, BASF prepared and submitted their data stating the equations used for converting residues from the residues definition for monitoring and definition for risk assessment for rice is exactly the same as that used for cranberries. CMC's consultant in the EU will continue to track this issue and will inform the industry of any further inquiries as they arise.
- For several years now the CMC has sought an EU import tolerance for Carbaryl. Unfortunately after conducting studies in support of the compound, the EU has subjected Carbaryl to the "cut-off criteria". This was reported to the CMC MRL Subcommittee, where the group agreed to stop pursuing the import tolerance for carbaryl on cranberries, as it is likely to need additional research and the end result will likely be unsuccessful.
- The general picture on the EU MRL issue is highly political; reaching the highest levels as part of trade negotiations and is having a direct effect on crops such as cranberries exported to the EU. This issue affects all commodities exported to the EU, not just cranberries. Since Europe is the largest single export market for the US cranberry industry, the issue must be followed closely.
- At the WTO Ministerial held in Argentina last December, 2017, a joint signed statement was released on the importance of MRL's in both protecting the consumer health and facilitating trade. This statement also emphasized science and risk in evaluating MRL's. The document was signed by 17 WTO members. Notably, the European Union did not sign the agreement.

In conclusion, Mr. Lantz provided an update on fresh market access to China. Mr Lantz visited Hainan Island, to participate in the 25th US-China bilateral plant health negotiations in December 2017. Prior to this meeting BCI worked with the USDA's plant health inspection service (APHIS) and the industry to

finalize a formal submission to China for their review and to ensure cranberries was on the agenda. During the meeting Mr Lantz briefed the US negotiators on the interest to pursue fresh cranberries in this market. This issue was discussed during the meeting and China officials responded they would work on a pest risk assessment (PRA) for the request. Mr Lantz reminded the CMC that the Chinese market access is very challenging and could take years. Mr Lantz and BCI will follow up and engage with APHIS throughout the year to seek progress updates for preparation for the next bilateral plant health talks.

HEALTH STUDY RESEARCH UPDATE

Dr. Amy B. Howell provided an overview of the “Phase 1” h.pylori trial conducted in China in 2016 and 2017. Dr. Howell briefed the Committee on a potential Phase 2 study proposal for h.pylori suppression and determines an effective PAC dose for juice and an encapsulated juice based powder.

Phase 2 objectives are:

- To build on previous clinical data results.
- To determine dosage required to suppress h.pylori at 2 and 8 weeks following daily consumption.
- To evaluate tolerability and palatability of cranberry product types
- Assess the effect of cranberry product on blood lipid and glucose levels during the study. (To improve the compliance of the study)

Results of the previous trials on cranberry have not shown a very significant effect on eradication after cranberry consumption has ended, however, positive results were significant for suppressing h.pylori. If the suppression of the bacteria could be maintained over time by consuming daily doses of cranberry, in theory it could potentially result in an overall reduction in the number of cases of stomach cancer over time, and reduce the crisis of antibiotic resistance in underdeveloped countries.

A member of the audience noted that in China there is have a “blue hat seal” which is essentially a seal of approval. To receive this seal of approval in China would be very beneficial for key influencers and the Chinese government.

INTERNATIONAL PROMOTION PROGRAM UPDATE

Updates and recommendations for the International Promotion Program were given by Alyson Segawa, Sarah Gelpi Hooker and David McCaleb, Director of Bryant Christie, Inc. Included in the presentation were highlights and activities for each of the target markets, results of the individual programs, key initiatives and the proposed budgets for CY2018.

Additional reports on the International Promotion Program included;

- The CMC five year export data overview chart showed an overall increase of 3% over previous year, and 38% in the past 5 years.
- The Target Market Segmentation report for 2017 shows Two target markets, specifically Mexico and Pan Europe, progressed from growth to mature markets This in due to high consumer awareness, high health benefit awareness, high levels of trade demand, and strong product innovation.
- In 2017 the CMC approved a full scale program in India shifting India into the emerging market category. Programming has included a mix of consumer PR and trade promotions to generate awareness and demand. Awareness and purchase frequency for 2017 were up 44% and 81%, respectively.
- The China market has moved into the growth category for the first time. China has experienced a 52% increase in export growth over the previous year, and 575% over the past 5 years. Looking forward to 2018 the approach will be to further extend consumer PR reach into China's second and third tier cities and increase awareness through social media and other digital media outlets, continue participation at tradeshows, media events and hosting competitions.
- Strategic planning calls during 2017 with handlers provided a consistent message of possibly reducing or eliminating funding from Mexico and Turkey.

Ms. Gelpi Hooker took the opportunity to remind meeting attendees about the Quality Samples Program (QSP) and stated that funds are available to purchase samples from the handlers to send to international markets where the trade there can experiment with a product and be trained on how to utilize it in their various own product forms. In the next few weeks BCI will be sending out requests for bids for this program, and encouraged handlers to take advantage of this program.

In conclusion, Alyson Segawa presented a 5 year overview of CMC International Market Budget and the corresponding funding sources for that same 5 year period. This report presents a broad view of the CMC's investment per target market and provided a view of where the industry has been, where changes have been made, and where we are moving into 2018. Ms Segawa continued with presenting the CY'2018 proposed international marketing budget to the committee. This began a lengthy discussion regarding suggestions of increasing and/or decreasing in funding for the individual target markets.

Following the International Promotion Program update, **Mr. Mauck moved to go into executive session, seconded by Mr. Harju. Motion was carried unanimously.**

TUESDAY, FEBRUARY 13, 2018

Chair Rezendes called the meeting to order at 8:05 a.m. Chairman Rezendes requested the Executive and Financial Assistant to call the roll. Chairman Rezendes stated members seated the prior day would remain seated through the duration of the meeting and reported a quorum was present. Chairman Rezendes requested Doris Jamieson, the CMC's USDA Marketing Specialist, to provide the committee with the Anti-Trust Guidelines statement prior to the start of the meeting.

<u>Member</u>	<u>P/A</u>	<u>Member</u>	<u>P/A</u>	<u>Alternate</u>	<u>P/A</u>
Larry Harju	P	Adrienne Mollor	P	George Rogers	P
Parker Mauck	P	Jim Rezendes	P	Dawn Gates-Allen	P
Stephen Lee	P			Joe Darlington	P
Tom Gerber	A			William Poinsett	P
Vicki Nemitz	P	Jim Van Wychen	P	Gary Jensen	A
Jill Amundson	P	David Bartling	P	Martin Potter	P
Frank Glenn	A			Kevin Hatton	P
Alex Ells	P			Jesse Rezin	P
George Bussmann	P			Ron Puhl	P
Thomas O'Guinn, Ph. D	P			D. Steven White, Ph. D A	P

Chairman Rezendes updated the committee of the agenda change that the Domestic promotion program was moved from yesterday afternoon to this morning due to timing. This change to the agenda would allow Pollock Communications sufficient time to provide their update to the Committee.

DOMESTIC PROMOTION PROGRAM UPDATE

Alexandra Oppenheimer of Pollock Communications reported on the Domestic promotion for 2017-2018. CMC activities included expanding Friendsgiving, expanding momentum with the school foodservice program, creating an ultimate retailer resource, partnering with Hispanic chefs to provide credible recipes for their audience and a continued effort to engage with registered dietitians. Completed and wrapping up updates include;

- The 3rd annual Friendsgiving Photo Contest has wrapped up with winners for each of the 8 categories. During the Friendsgiving promotion period, an hour long *twitter party* was hosted and this year the #FriendsgivingCranberryContest hash tag trended at #46, up 4 spots from last year.
- An additional Friendsgiving target was designed to capture college students. 25 Gen Z College "Cranbassadors" were enlisted to host a Friendsgiving celebration. Each of the cranbassadors

received goodie bags to share with their guests during their celebrations, creating nationwide social media posts about cranberries among the next generation, as well as with millennials.

- Various retail promotions were held over the summer of 2017 where cranberries were highlighted in print ad circulars, online and Face Book ads, and In-store demos were offered. Among the participating stores, sales increases of over 200% for SDC's and 138% for Cranberry juice cocktail.
- Cranberry dedicated segments were featured on Good Morning Washington and Fox & Friends during the harvest and Friendsgiving contest period. Both segments were linked to CranberryFriendsgiving.com and 5 recipes, and one chef-approved cranberry recipe was aired,

Objectives for the 2018-2019 program including strategies were presented that would amplify consumer awareness on the versatility of cranberries for fresh or SDC's that would build upon keeping cranberries top-of-mind year round.

COMMUNICATIONS AND MARKETING UPDATE

Karen Cahill, CMC's Communications and Marketing Specialist provided details of activities she has been involved with since the August 2017 meeting. Ms. Cahill reported on volumes of social media views, traffic to CMC's website, communications via newsletters, press releases, and the various meetings and events she has attended in the previous six months. Ms. Cahill has been working with a web designer revamping the CMC website to appeal to both consumer as well as industry members. This should improve the user experience, increase ease in content sharing as well as increase traffic.

MINUTES

The August 3rd and 4th, 2017 and January 17, 2018 meeting minutes were reviewed, as well as, three conference call minutes from August 31st, September 15th, and October 15th, 2017 . **Ms. Nemitz moved to accept all five meeting minutes in the book. Seconded by, Ms. Amundson. Motion was carried unanimously.**

STAFF REPORT

- Executive Director Hogan began by stating she hopes to have the hiring process for the inspections done by early March, and anticipates the inspections will be done by mid April, perhaps into early May. Upon receiving the final rule, the certificates will be mailed out, and if the recommendation for the exemption by the committee is accepted in the producer allotment, upgrades to the database will be necessary to include the exemption.

- 9 handler audits last summer were conducted. Eight have been completed with the remaining requiring additional information. The 8 completed handler audits, there were no findings.
- Ms. Hogan thanked several growers from Massachusetts and Wisconsin in attendance for hosting bog tours during the Global Rep Conference and the Reverse Trade Mission during the month of October, 2017. It was a great success and enjoyed by all.
- This year is an election year, with terms ending on July 31, 2018. The new term is August 1, 2018 through July 31, 2020. The independent nomination forms will be mailed early April and due by the end of April. Voting is in May, and new members will be notified in June. Additionally, Ocean Spray will fill the voids of the outgoing members internally; those names are due back to the CMC by the end of May. After which they will be sent to the USDA Secretary asking for the selections to be approved by the CMC's August meeting.
- In closing, Executive Director Hogan took this time to thank her staff, the many consultants, and industry members for their continuous efforts and support.

VOLUME REGULATION RECOMMENDATIONS – CON'T MARKETING POLICY DISCUSSION

Chair Rezendes asked for any recommendations and/or comments to the committee on volume regulation. Several members voiced their concerns to the USDA on the urgency from industry and growers to get a final rule published on both the 2017 Handler Withhold and the 2018 Producer Allotment volume regulations. Ms. Jamieson responded that the Industry and Committee's concerns have been heard and noted and the USDA will do their best to expedite the process. Hearing no volume regulation recommendations, Chairman Rezendes moved the meeting to the next item on the agenda.

FINANCIALS

Mr. Rezendes reviewed and reported on the financials from September 1 through December 31, 2017. **Ms. Nemitz motioned to approve the financial statements presented in the book. Seconded by, Mr. Mauck. Motion was carried unanimously.**

BUDGET

Chairman Rezendes reviewed the amended the FY 2017/2018 February 2018 Proposed Budget as recommended by the Officer's Committee and noted potential adjustment to the budget. After a lengthy discussion **Ms. Amundson moved to approve the FY2017/2018 amended and FY2018/2019 approved budget developed by the Committee and to maintain the current assessment rate unchanged at .28¢ per barrel. Seconded by, Mr. Mauck. Motion was carried with 13 for, 1 against.**

The amended FY'2017/2018 Budget is as follows:

<i>Items</i>	<i>FY17/18 February Amended Budget</i>
INCOME	
Assessments	\$ 2,312,800
Interest Income	\$ 6,000
MAP Funding - Generic (Sept- Dec)	\$ 466,096
MAP Funding - Generic (Jan-Aug)	\$ 932,192
MAP Funding - Branded	\$ 400,000
FMD Funding	\$ 154,107
TASC Funding	\$ 110,000
QSP Funding	\$ 39,600
EMP Funding	\$ 265,000
GBI Funding	\$ 196,000
Reserve Funds: Restricted	\$ 918,268
Reserve funds: Unrestricted	\$ 0
INCOME	\$ 5,800,063
<u>OPERATING EXPENSES-ADMINISTRATIVE</u>	
Salaries	
Total Salaries	\$ 324,100
Benefits & Payroll Taxes	
Employee Benefits	\$ 70,000
Payroll Taxes-FICA	\$ 18,975
Payroll Taxes-Medicare	\$ 4,440
Pension Plan	\$ 24,000
TOTAL BENEFITS & TAXES EXPENSES	\$ 117,415
Meeting & Travel Expenses	
Staff Expenses	\$ 20,000
Committee & Meeting Expenses	\$ 180,000
Subcommittee Expense	\$ 10,000
Field Staff Expenses	\$ 5,000
TOTAL MEETING & TRAVEL EXPENSES	\$ 215,000
Administrative Expenses	
Facility Rent	\$ 21,900
Office Expenses (General)	\$ 47,500
Insurance (D&O/GL)	\$ 27,000
Board Restricted for Operating Reserve	\$ 450,000
Professional Services	\$ 22,000
Owned Equipment	\$ 5,000
Leased Equipment Expense	\$ 12,000
Maintenance/Repair Expense	\$ 5,000
Subscriptions & Dues	\$ 2,500
Compensation Adjustment	\$ 18,300
Payroll Services	\$ 4,500
Admin Contractual/Compliance/Other	\$ 62,500
TOTAL ADMINISTRATIVE EXPENSES	\$ 678,200
TOTAL OPERATING EXPENSES	\$ 1,334,715

PROGRAMS (CON'T)

INTERNATIONAL PROMOTION PROGRAM

CMC Assessments Appropriation	\$	900,000
CMC Staff International Travel	\$	20,000
MAP Generic	\$	1,398,288
FMD	\$	154,107
EMP	\$	265,500
GBI	\$	196,000
QSP	\$	39,600
TASC	\$	110,000
Sub-Total	\$	3,082,995
Branded Program	\$	400,000
Sub-Total	\$	3,482,995

CONTRACTOR

BCI Retainer Fee (G, F & EU Region)	\$	150,000
BCI Add'l (New Grants, Financial, Prog Launch)	\$	55,500
BCI: Misc. Expenses (Travel & Communications)	\$	30,000
Sub-Total	\$	235,500

TRADE POLICY PROGRAM

BCI Trade Policy Retainer Fee	\$	170,500
Travel & Communications	\$	30,000
Data Packaging	\$	30,000
Contractual Services	\$	53,200
Sub-Total	\$	283,700

Total International Program \$ **4,002,195**

DOMESTIC PROMOTION PROGRAM

Domestic Promotion/Partnerships	\$	482,500
Website Maintenance	\$	15,000
Collateral Material	\$	10,000
Total Domestic Promotion	\$	507,500

TOTAL PROMOTION & TRADE PROGRAMS \$ **4,509,695**

PROJECTS

Scientific Advisory Board (SAB)	\$	17,000
Special Projects	\$	42,882
Special Projects/Clinical	\$	0
Grower Database Program (Website)	\$	15,000
TOTAL PROJECTS	\$	74,882

TOTAL PROGRAMS & PROJECTS \$ **4,584,577**

TOTAL OPERATING/PROGRAMS/PROJECTS \$ **5,919,292**

Deficit/Surplus \$ **(119,229)**

The approved FY'2018/2019 Budget is as follows:

<i>Items</i>	<i>FY18/19 February Approved Budget</i>
INCOME	
Assessments	\$ 2,037,000
Interest Income	\$ 6,000
MAP Funding - Generic (Sept- Dec)	\$ 466,096
MAP Funding - Generic (Jan-Aug)	\$ 932,192
MAP Funding - Branded	\$ 400,000
FMD Funding	\$ 154,107
TASC Funding	\$ 110,000
QSP Funding	\$ 39,600
EMP Funding	\$ 265,000
GBI Funding	\$ 196,000
Reserve Funds: Restricted	\$ 650,000
Reserve funds: Unrestricted	\$ 0
INCOME	\$ 5,255,995
<u>OPERATING EXPENSES-ADMINISTRATIVE</u>	
Salaries	
Total Salaries	\$ 324,100
Benefits & Payroll Taxes	
Employee Benefits	\$ 70,000
Payroll Taxes-FICA	\$ 18,975
Payroll Taxes-Medicare	\$ 4,440
Pension Plan	\$ 24,000
TOTAL BENEFITS & TAXES EXPENSES	\$ 117,415
Meeting & Travel Expenses	
Staff Expenses	\$ 20,000
Committee & Meeting Expenses	\$ 150,000
Subcommittee Expense	\$ 10,000
Field Staff Expenses	\$ 5,000
TOTAL MEETING & TRAVEL EXPENSES	\$ 185,000
Administrative Expenses	
Facility Rent	\$ 21,900
Office Expenses (General)	\$ 47,500
Insurance (D&O/GL)	\$ 27,000
Board Restricted for Operating Reserve	\$ 350,000
Professional Services	\$ 22,000
Owned Equipment	\$ 5,000
Leased Equipment Expense	\$ 12,000
Maintenance/Repair Expense	\$ 5,000
Subscriptions & Dues	\$ 2,500
Compensation Adjustment	\$ 18,300
Payroll Services	\$ 4,500
Admin Contractual/Compliance/Other	\$ 37,500
TOTAL ADMINISTRATIVE EXPENSES	\$ 553,200
TOTAL OPERATING EXPENSES	\$ 1,179,715

PROGRAMS (CON'T)

INTERNATIONAL PROMOTION PROGRAM

CMC Assessments Appropriation	\$	650,000
CMC Staff International Travel	\$	20,000
MAP Generic	\$	1,398,288
FMD	\$	154,107
EMP	\$	265,000
GBI	\$	196,000
QSP	\$	39,600
TASC	\$	110,000
Sub-Total	\$	2,832,995
Branded Program	\$	400,000
Sub-Total	\$	3,232,995

CONTRACTOR

BCI Retainer Fee (G, F & EU Region)	\$	150,000
BCI Add'l (New Grants, Financial, Prog Lanch)	\$	55,500
BCI: Misc. Expenses (Travel & Communications)	\$	30,000
Sub-Total	\$	235,500

TRADE POLICY PROGRAM

BCI Trade Policy Retainer Fee	\$	152,000
Travel & Communications	\$	30,000
Data Packaging	\$	50,000
Contractual Services	\$	33,200
Sub-Total	\$	265,200

Total International Program \$ **3,733,695**

DOMESTIC PROMOTION PROGRAM

Domestic Promotion/Partnerships	\$	282,500
Website Maintenance	\$	15,000
Collateral Material	\$	10,000
Total Domestic Promotion	\$	307,000

TOTAL PROMOTION & TRADE PROGRAMS \$ **4,040,695**

PROJECTS

Scientific Advisory Board (SAB)	\$	17,000
Special Projects	\$	0
Special Projects/Clinical	\$	0
Grower Database Program (Website)	\$	15,000
TOTAL PROJECTS	\$	32,000

TOTAL PROGRAMS & PROJECTS \$ **4,072,695**

TOTAL OPERATING/PROGRAMS/PROJECTS \$ **5,252,410**

Deficit/Surplus \$ **3,585**

After a lengthy discussion regarding the international budget **Mr. Lee motioned to cut all funding to Pan Europe, Mexico, and South Korea, and to evenly distribute these funds to the China and India**

programs, specifically \$313,722.00 to each. Seconded by, Mr. Bartling. Motion carried unanimously.

OTHER BUSINESS

The CMC Summer meeting will be held in Mount Laurel, NJ on August 15th and 16th. And the NJ field day will be held on Friday August 17th. Committee and Industry members are welcome to attend.

The CMC Winter meeting in 2019 will be held during the week of February 11th in the Washington DC area.

A new subcommittee for the 2019 Promotion Program contract review subcommittee will be chaired by Ms. Amundson, with members Mr. Rezendes, Mr. O'Guinn, Mr. White, Mr. Pietrzak, Mr. Wyman and possibly Mr. Reitz and/or Mr. Sousa.

Hearing no additional business to come before the Committee, **Ms. Amundson moved to adjourn the meeting. Seconded by, Ms. Mollor. Motion carried unanimously.**

Meeting adjourned at 12:45 p.m.

Respectfully submitted,

Judy Mears

Recording Secretary