

Idaho Apple Commission
Idaho Cherry Commission
Annual Report

Senate Agricultural Affairs Committee

February 26, 2019

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Idaho Apple Commission

Market Update

In speaking with industry representatives it was reported for the 2018-2019 apple season, the early season apples were of fair quality due to the excessive heat in August. However, late season apples were higher quality as the normal temperature patterns returned in September and October.

The apple industry as with most agriculture is plagued with a major labor shortage. The growers and packers are using H2A, and the inmate program to supplement labor crews. What was really damaging for this year's crop was the fact that Washington had 10,000,000 boxes of apples from their 2017 being marketed this season.

A crop that would have been manageable became a large crop with the additional Red Delicious, Fuji, and Granny Smith from the 2017 Washington crop.

Another concern recently brought to my attention was in regard to having Idaho stay on standard time all year round. Growers and handlers realize the issues with mother nature is something they can't do anything about. However, the handlers deal with companies all around the globe, and they are not sure they it is important to make a change with the time. Idaho is wanting to do away with Daylight Savings time, and Oregon is wanting to make Daylight Savings time permanent. When I think about closely we work with Malheur County Oregon I am not sure what effect that would have if Southern Idaho and Eastern Oregon were on different times.

Commissioners:

The 2018-2019 Commission consists of Commissioners, Daniel Rowley, Chairman; Jim Carver, Vice Chairman; Ryan Henggeler, Secretary-Treasurer; Charles Robinson; and Kathy Brooke.

Memberships:

The Commission still maintains memberships with several organizations.

Northwest Horticultural Council (NHC) nwhort.org

The NHC is located in Yakima, Washington, and was incorporated in 1947 and assists in handling problems common to the Northwest tree fruit industry. It focuses on national and international policy issues affecting growers and shippers in Idaho, Oregon, and Washington. The representatives from the Idaho Apple Commission who serve on the various Committees in the NHC are Dar Symms, Trustee, Sally Symms, Export Committee, and Chad Henggeler serves on the Science Advisory Committee.

Northwest Fruit Exporters (NFE)

The NFE manages cherry and apple export programs required by the foreign countries of Japan, Mexico, India, Vietnam, Egypt, Israel, South Africa, and Australia. It provides a legal framework for tree fruit growers, packers, and exporters to manage and facilitate export marketing programs. Dar Symms is Idaho's representative on the Apple

Commodity Committee.

US Apple Association (USApple) usapple.org

USApple is a non profit, member-based association comprised of and supported by individuals, companies, and state and regional associations within the apple industry. They are the national voice and resource center serving the interests of American apple growers, shippers, processors, marketers, and other interested parties within the industry. Kelly Henggeler is still the representative for the Idaho Apple Commission.

Produce Marketing Association (PMA) www.pma.com

PMA is a trade organization representing companies from every segment of the global fresh produce and floral supply chain. PMA helps members grow by providing connections that expand business opportunities and increase sales and consumption. Candi Fitch continues to serve as a member on the PMA Membership Committee.

United Fresh Produce Association (United Fresh) www.unitedfresh.org

United Fresh was founded in 1904 and brings together companies across every segment of the fresh supply chain, and unites the produce industry with a common purpose - to build long-term value for its members and to grow produce consumption.

The Idaho Apple Commission is fortunate to have the involvement that it does with these organizations; this helps to give the Idaho Apple industry a national and regional voice.

Production Research

Over the years the Idaho Apple Commission has received several grants for Essie Fallahi at the University of Idaho for his continuing research to improve Idaho Apples. In this global environment it is important to have continuing research to stay vital in the market place. At this time the Idaho Apple Commission has one Specialty Crop Grant for Dr. Fallahi:

Rootstock and Thinning Effects on Yield and Quality to Enhance Profitability in “Honey Crisp” Apple

\$163,409.00, Allocated – 2017 Award

Local Memberships

The Idaho Apple Commission maintains local memberships as well.



Buy Idaho has supported the Idaho business community and championed for Idaho companies to grow and prosper in our state for over 30 years. The goal of Buy Idaho is to keep tax dollars in Idaho and build businesses that will increase job opportunities and quality of life for all Idahoans. (Source Buy Idaho Web Site) www.buyidaho.com

The Buy Idaho Capitol Show is held each year, and the Idaho Apple Commission, and the Idaho Cherry Commission partici-

pate in the event. It is a great way to share the message of the apples, cherries, and onions grown in Idaho.



Idaho Preferred® is a program of the Idaho State Department of Agriculture dedicated to identifying and promoting Idaho food and agriculture products. Fresh fruits, vegetables and meats; fine wines, beers and spirits; specialty foods, forest products and nursery plants and trees – are all products marketed through the Idaho Preferred® program. (Source: Idaho Preferred Web Site) www.idahopreferred.com



Idaho Ag in the Classroom is a cooperative effort between the USDA, Idaho State Department of Agriculture, University of Idaho, agribusiness, commodity groups, farm organizations, farmers, ranchers, and educators across the state. (Source: IAIC Web Site) <http://www.agclassroom.org/id/>

Candi Fitch is an Advisory Committee Member for Idaho Preferred and is Vice President of the Idaho Agriculture in the Classroom Committee.

Promotions

2016 Specialty Crop Grant - Increasing Sales, Creating, Demand, and Building Relationships for Idaho Apples with Idaho Retailers.

Within this grant there has been funding for In-store demos, radio advertising, billboards, promotional banners and social media advertising.



Radio Advertising:

Objective: Reach listeners and encourage them to shop for Idaho Apples using classic and new country formats with KQFC and KIZN and news talk KBOI (whose 50,000 watt signal covers most of Idaho). Weekly schedules include pre-recorded thirty second commercials, paired with live-read fifteen second traffic sponsorships, run during prime time drive times. The radio schedule reached 325,300 people, 7.4 times each. Run Dates: September 17 – November 30, 2018.



Billboards and In-store Sampling

Billboards were displayed in six different locations during the months of October during the same time period as in-store promotions were offered in local Albertsons and Wal Mart locations.

Idaho Preferred Road Show and In-Store Sampling

Again this year with grant funding the Commission participated on the Idaho Preferred Road Show and had In-store sampling at local Albertsons and Wal-Mart stores.



KBOI- Channel 2:

Celebrate Idaho Ag - In 2018 Idaho Preferred partnered with Channel 2 and offered agriculture organizations the opportunity to promote their products for one month. This was done through radio advertising, a featured news story, month long advertising on the Channel 2 Web site, and a segment on Idaho Living. Idaho Apples were featured in October 2018.



Other Promotional Activities



Again this year the Commission provided apples for the St Luke's Fit One Finish Line Party in September. The Commission donates about 10,000 apples to the event for most of the participants to enjoy an Idaho Apple at the end of the walk.



The Idaho Apple Commission also provided apples for the Meridian FFA Farm Expo that is held every other year at Meridian High School. About 4,000 apples were donated for this event.

Western Idaho Fair, Albertson's Farmers Market

This is a fun event and we started participating after the closing of the Agriculture and Natural Resources Pavilion. This year I sliced about 60 apples and Leah Clark made five pies at the Fair. We gave out apple samples and pie samples, the pies were cooked at the concession stand at the fair.



2016 Specialty Crop Grant - Increasing Sales, Demand, and Building Awareness of Idaho Apples through Retail Promotions, and Local Media

\$53,528.00 and \$500.00 Cash Match

**Idaho Apple Commission
2018-2019 Six-Month Financial Statement and 2019-2020 Proposed Budget**

	2017-2018 Financial Statement	2018-2019 6-Month Financial Statement	Budgeted 2018-2019	Estimated Budget 2019-2020
Income:				
Balance:	\$ 94,278.50	\$ 145,287.49		
Crop Assessments	13,568.17	620.26	30,000.00	30,000.00
Interest Income	41.08	52.38	50.00	50.00
Assessments from Prior Years	21,483.00	4,241.75	20,000.00	20,000.00
Specialty Crop Grant Money	100,950.16	13,580.12	50,000.00	70,000.00
Other Income	2,138.04	0.00		
Reserve Money		0.00	6,640.00	
Total Income	138,180.45	18,494.51	106,690.00	120,050.00
Administrative Office:				
Insurance/Workman's Comp	150.00	-	175.00	175.00
Office Supplies/Equipment	365.46	139.50	-	-
Postage	108.23	52.57	250.00	250.00
Rent & % of Salaries	12,580.00	6,290.02	12,580.00	12,580.00
Telephone	-	-	-	-
Office Travel	777.35	529.22	400.00	400.00
Total Administrative	13,981.04	7,011.31	13,405.00	13,405.00
Promotion:				
Production/Printing	-	-	1,500.00	1,500.00
Media	-	-	-	-
Local Promotions	7,122.08	1,579.34	3,000.00	3,000.00
Trade Association	14,970.50	13,083.00	18,000.00	18,000.00
Trade Meetings	681.30	606.46	1,700.00	1,700.00
Promotion Programs	-	-	-	-
Promotion Misc.(Postage, Special, Fees)	-	-	150.00	150.00
Total Promotions and Export Deve.	22,773.88	15,268.80	24,350.00	24,350.00
Grant Money Expended				
2014 Grant	13,477.25		-	-
2015 Grant	4,977.36	1,297.75	1,995.00	
2015 Grant - Match	104.76	119.97	190.00	190.00
2016 Grant	30,980.80	49,558.00	55,000.00	
2016 Grant-Match		1,389.13	1,000.00	1,000.00
2017 Grant				50,000.00
2018 Grant			-	20,000.00
Total Grant Money Expended	49,540.17	52,364.85	58,185.00	71,190.00
Research Projects:				
University of Idaho				
Current Season's Projects-Fallahi	-	-	10,000.00	10,000.00
E. Fallahi -09 Grant (11-12 Season)	-	-		
Previous Season's Projects				
Research Reserve				
Total Research Projects	-	-	10,000.00	10,000.00
Miscellaneous Expense:				
Miscellaneous	915.97	553.92	750.00	750.00
Commission Travel	-	-	-	-
Miscellaneous-Other	-	-		
Total Miscellaneous	915.97	553.92	750.00	750.00
Grand Total	\$ 87,211.06	\$ 75,198.88	106,690.00	119,695.00

Balance Sheet

As of December 31, 2018

	<u>Dec 31, 18</u>	<u>Dec 31, 17</u>
ASSETS		
Current Assets		
Checking/Savings		
1050 · U S Bank - Checking	361.98	31,499.47
1060 · U S Bank - Savings	10,153.22	10,151.26
1070 · US Bank Money Market Account	78,028.32	37,963.22
Total Checking/Savings	<u>88,543.52</u>	<u>79,613.95</u>
Total Current Assets	<u>88,543.52</u>	<u>79,613.95</u>
TOTAL ASSETS	<u>88,543.52</u>	<u>79,613.95</u>
LIABILITIES & EQUITY		
Equity		
3900 · Operating Reserve	145,247.89	94,278.50
Net Income	-56,704.37	-14,664.55
Total Equity	<u>88,543.52</u>	<u>79,613.95</u>
TOTAL LIABILITIES & EQUITY	<u>88,543.52</u>	<u>79,613.95</u>

Idaho Apple Commission
Profit & Loss Budget vs. Actual
 July through December 2018

	<u>Jul - Dec 18</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Income			
4050 · Current Year Crop Assessments	620.26	30,000.00	-29,379.74
4060 · Interest Income	52.38	50.00	2.38
4065 · Specialty Crop Grants	4,241.75	50,000.00	-45,758.25
4070 · Other Income	13,580.12		
4075 · Previous Year's Assessments	0.00	20,000.00	-20,000.00
4080 · Carryover	0.00	6,640.00	-6,640.00
Total Income	<u>18,494.51</u>	<u>106,690.00</u>	<u>-88,195.49</u>
Expense			
7100 · Administrative			
7120 · Property Ins/Workman Comp	0.00	175.00	-175.00
7130 · Office Supplies/Equipment	139.50		
7140 · Postage	52.57	250.00	-197.43
7150 · Rent & % of Salaries	6,290.02	12,580.00	-6,289.98
7170 · Office Travel	529.22	400.00	129.22
Total 7100 · Administrative	<u>7,011.31</u>	<u>13,405.00</u>	<u>-6,393.69</u>
7200 · Trade Involvements			
7220 · Trade Association Dues	13,083.00	18,000.00	-4,917.00
7549 · Trade Meetings	606.46	1,700.00	-1,093.54
Total 7200 · Trade Involvements	<u>13,689.46</u>	<u>19,700.00</u>	<u>-6,010.54</u>
7300 · Promotion			
7320 · Production and Printing	0.00	1,500.00	-1,500.00
7340 · Local Promotions	1,579.34	3,000.00	-1,420.66
7495 · Promotion Miscellaneous	0.00	150.00	-150.00
Total 7300 · Promotion	<u>1,579.34</u>	<u>4,650.00</u>	<u>-3,070.66</u>
7662 · Miscellaneous	553.92	750.00	-196.08
7665 · Grant Money Expended			
7671 · 2015 Grant	1,297.75	1,995.00	-697.25
7672 · 2015 Grant - Match	119.97	190.00	-70.03
7673 · 2016 Grant	49,558.00	55,000.00	-5,442.00
7674 · 2016 Grant - Match	1,389.13	1,000.00	389.13
Total 7665 · Grant Money Expended	<u>52,364.85</u>	<u>58,185.00</u>	<u>-5,820.15</u>
7669 · Research Projects			
7682 · Current Season Proj - Fallahi	0.00	10,000.00	-10,000.00
Total 7669 · Research Projects	<u>0.00</u>	<u>10,000.00</u>	<u>-10,000.00</u>
Total Expense	<u>75,198.88</u>	<u>106,690.00</u>	<u>-31,491.12</u>
Net Income	<u>-56,704.37</u>	<u>0.00</u>	<u>-56,704.37</u>

Idaho Cherry Commission

Market Update

The 2018 Cherry Season was a struggle. With heavy rains in June, and the China Tariffs, one cherry shipper that I spoke with lost huge amounts of money. With China closed the cherries went to Taiwan which lowered the price. Then on Father's Day weekend the area received 24 hours of rain at a time when harvest was ready to start. Harvest in Idaho usually starts around June 20. They would have obviously fared better with only one of these major events, but the handler commented it is the nature of the business. This shipper recently invested in a new cherry line which sorts cherries internally as well as externally which gave them a little reprieve. The Cherry handlers are applying for a specialty crop refund that would give them a percentage of what was lost with the tariff wars. They feel that if Washington handlers and shipper are eligible for the refunds, that Idaho should be as well.

Commissioners:

The 2018-2019 Commission consisted of Commissioners, Sally Symms, Chairman; Richard Kincheloe, Vice Chairman, Kelly Henggeler, Secretary-Treasurer, Keith Green, and Lalo Gonzales, Jr.

Memberships:

The Commission maintains regional and local memberships.

Northwest Cherry Growers (NWCG)

The Northwest Cherry Growers is housed in Yakima, Washington, and its membership includes 2,500 growers across WA, OR, ID, UT and MT. The Idaho Cherry Commission feels it is of benefit to be a member of this organization, as then they are promoting and marketing with the four other states and not competing against them. The Cherry Commission has been a members for over 20 years.

Local Memberships include:

Idaho Preferred

Idaho Agriculture in the Classroom

Promotions

2015 Grant - Creating Awareness of Idaho Cherries through In-Store Promotion, Web Site Development, and Social Media,
www.idahocherries.com



The Idaho Cherry Commission held in-store promotions at various Albertson's and Wal Mart stores the last week of June and the first week in July. The Commission continues to build its Social Media presence and with the remaining grant funds was able to provide promotional opportunities in 2018. This remaining grant funds were used in 2018 that were allocated with the 2015 grant.

Advertising



In May 2018, the Idaho Cherry Commission placed an ad in the Northwest Cherry Growers' insert in The Packer newspaper. The placement was timely as it was just before the start of the cherry season. The Packer has a paid and non paid circulation of about 13,000 subscribers.

KBOI- Channel 2:

Celebrate Idaho Ag - In 2018 Idaho Preferred partnered with Channel 2 and offered agriculture organizations the opportunity to promote their products for one month. This was done through radio advertising, a featured new story, month long advertising on the Channel 2 Web site, and a segment on Idaho Living. Idaho Cherries were featured the last two week of June and the first two weeks of July.



2018 Grant - Creating Awareness of Idaho Cherries through In-Store Promotion, Web Site Development, and Social Media, www.idahocherries.com
\$41,184 Grant Funds and \$500 Cash Match

Mexico Cherry Commission
2018-2019 Six-Month Financial Statement and 2019-2020 Proposed Budget

	2017-2018 Financial Statement	2018-2019 Financial Statement	Budgeted 2018-2019	Estimated Budget 2019-2020
Income:				
Balance:	\$ 20,232.22	\$ 13,929.33		
Crop Assessments	\$ 20,117.53	\$ 776.86	\$ 20,000.00	\$ 20,000.00
Interest Income	0.48	0.64	10.00	10.00
Specialty Crop Grant	7,810.45	1,940.99	900.00	20,000.00
Other Income	7.65	-	-	-
Total Income	27,936.11	2,718.49	20,910.00	40,010.00
Administrative, Office, Miscellaneous Expenses:				
Insurance/workman's Comp	-	-	200.00	200.00
Rent & % of Salaries	4,420.00	4,420.00	4,420.00	4,420.00
Office Supplies and Equipment	18.34	146.38	-	-
Postage	41.70	22.12	100.00	100.00
Phone	-	-	-	-
Miscellaneous	1,617.46	683.80	400.00	400.00
Total Administrative	6,097.50	5,272.30	5,120.00	5,120.00
Commission Expenses:				
Specialty Crop Grant	9,015.36	1,029.97	1,900.00	20,000.00
Specialty Crop Grant - Cash Match	161.71	-	-	-
Travel	456.78	157.24	500.00	500.00
Annual California Inspection	-	-	500.00	500.00
Mexico Cherry Inspection	-	-	1,000.00	1,000.00
Promotional Programs	3,500.00	2,857.32	5,000.00	5,000.00
NWCG Promotional Assessment	15,000.00	-	15,000.00	15,000.00
Soft Fruit Research	-	-	1,000.00	1,000.00
Promotional Items	-	-	1,500.00	1,500.00
Total Commission Expense	28,133.85	4,044.53	26,400.00	44,500.00
Grand Total	34,231.35	9,316.83	31,520.00	49,620.00

Balance Sheet

As of December 31, 2018

	<u>Dec 31, 18</u>	<u>Dec 31, 17</u>
ASSETS		
Current Assets		
Checking/Savings		
1050 · US Bank - Checking	2,119.63	21,034.99
1060 · US Bank - Savings	5,211.36	5,210.36
Total Checking/Savings	<u>7,330.99</u>	<u>26,245.35</u>
Total Current Assets	<u>7,330.99</u>	<u>26,245.35</u>
TOTAL ASSETS	<u><u>7,330.99</u></u>	<u><u>26,245.35</u></u>
LIABILITIES & EQUITY		
Equity		
3900 · Operating Reserve	13,929.33	20,232.22
Net Income	-6,598.34	6,013.13
Total Equity	<u>7,330.99</u>	<u>26,245.35</u>
TOTAL LIABILITIES & EQUITY	<u><u>7,330.99</u></u>	<u><u>26,245.35</u></u>

Idaho Cherry Commission
Profit & Loss Budget vs. Actual
 July through December 2018

	<u>Jul - Dec 18</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Income			
4050 · Current Year Crop Assessments	776.86	20,000.00	-19,223.14
4060 · Interest Income	0.64	10.00	-9.36
4080 · Specialty Crop Grant Income	1,940.99	1,900.00	40.99
4090 · Carryover	0.00	9,610.00	-9,610.00
Total Income	<u>2,718.49</u>	<u>31,520.00</u>	<u>-28,801.51</u>
Expense			
7100 · Workman's Comp and Insurance	0.00	200.00	-200.00
7200 · Rent & % Of Salaries	4,420.00	4,420.00	0.00
7240 · Annual California Inspection	0.00	500.00	-500.00
7250 · NWCG Promotion Assessments	0.00	15,000.00	-15,000.00
7260 · Mexico Cherry Inspectors	0.00	1,000.00	-1,000.00
7270 · Soft Fruit Research	0.00	1,000.00	-1,000.00
7280 · Promotional Items	0.00	1,500.00	-1,500.00
7290 · Promotional Programs	2,857.32	5,000.00	-2,142.68
7291 · Specialty Crop Grant	1,029.97	1,900.00	-870.03
7300 · Travel	0.00	500.00	-500.00
7301 · Office Travel	157.24		
7411 · Office Supplies & Equipment	146.38		
7415 · Postage	22.12	100.00	-77.88
7425 · Miscellaneous	683.80	400.00	283.80
Total Expense	<u>9,316.83</u>	<u>31,520.00</u>	<u>-22,203.17</u>
Net Income	<u><u>-6,598.34</u></u>	<u><u>0.00</u></u>	<u><u>-6,598.34</u></u>

Idaho-Eastern Oregon Onion Committee

The Idaho-E. Oregon Onion Committee (M.O.) is also housed in the Parma Office. This is a Federal Program. The Onions grown in Idaho and Eastern Oregon are grown under Federal Marketing Order #958 which maintains a minimum size and grade standard that exceeds USDA standards. The Marketing Order was formed in 1957 under the Code of Federal Regulations.

The annual budget is approved by the USDA. There is an extensive research budget each year. The Research Committee meets on an annual basis to decide on the projects for the upcoming fiscal year. Research is conducted through Oregon State University and the University of Idaho, and this research benefits all growers in the M.O. area.

Along with the Research Committee, within the M.O. there is a Promotion Committee, and an Export Committee. The Promotion Committee handles the Domestic Promotions for the M.O. and the Export Committee handles International promotions. Included in these promotions are exhibiting at several trade shows domestically and internationally, a broad generic advertising program, and trade missions. Several times the Export Committee has had the opportunity to participate in the Governor's Trade Missions. Candi had the opportunity to participate in Governor Otters' Trade Mission to Canada in October 2018. The Committee was also able to have a strong international presence during the Annual Produce Marketing Association Convention in which the Committee participates.

Idaho-Oregon Fruit and Vegetable Association

Mission Statement: The Idaho-Oregon Fruit and Vegetable Association provides an effective avenue for its members to collaborate and work collectively on instrumental issues pertinent to the agricultural industry of its area.

The Idaho-Oregon Fruit and Vegetable Association, Inc. was formed in September 1962, as a non-profit corporation under the laws of the State of Idaho. It was formed primarily to give service to the produce shippers on matters pertaining to transportation and other relative industry problems, particularly matters arising out of the preparation, inspection, and the shipment of fresh fruit and vegetables.

The members of the Idaho-Oregon Fruit and Vegetable Association consists of fruit and vegetable (onions and shallots) shippers in Southwestern Idaho and Eastern Oregon. The Association has a dues based membership. There are about 27 active members. The Associate Members round out the Association Membership and they consist of industry support companies such as banks, bag manufacturers, seed companies, and building companies just to name a few. With the Associate Members the membership rounds out to a total membership of 126.

The Idaho-Oregon Fruit and Vegetable Association (IOFVASN) is an active member of Food Producers of Idaho and this year Candi Fitch is serving as President of the organization. The Association stays abreast of the Labor and Transportation issues affecting the industries it represents, and offers support when needed.

Contact information for the Parma Office:

Candi Fitch, Executive Director
candif@cableone.net

Ann Jacops, Assistant Director
annjacops@cableone.net

Debbie Edgar, Operations Clerk
dedgar@cableone.net

Idaho Apple Commission
Idaho Cherry Commission
Idaho-E. Oregon Onion Committee
Idaho-Oregon Fruit and Vegetable Association

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www.idahoapples.com
www.idahocherries.com
www.usaonions.com
www.id-orfv.org



