



2010 ANNUAL REPORT

Washington State Crop Improvement Association

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WSCIA BUSINESS OFFICE

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WSCIA FOUNDATION SEED SERVICE

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Ron Whittum Darlene Hilkin Gary Becker Darryl Krause

**BALANCE SHEET
APRIL 30, 2009 & 2010**

ASSETS

	<u>2009</u>	<u>2010</u>
Current Assets		
Cash	\$ 647,979	\$676,846
Accounts Receivable	113,696	55,073
Inventory		
Seed	502,574	604,687
Supplies	32,588	35,607
Prepaid Expenses	16,381	16,031
Total Current Assets	<u>\$1,313,218</u>	<u>\$1,388,244</u>
Plant & Equipment		
Buildings and Improvements	\$ 109,637	112,481
Seed Plant Equipment	414,768	452,473
Vehicles and Trailers	210,070	226,238
Office Equipment	69,040	59,830
Less: accumulated depreciation	<u>(640,763)</u>	<u>(661,702)</u>
Net Plant and Equipment	<u>162,752</u>	<u>189,320</u>
Total Assets	<u>\$1,475,970</u>	<u>\$1,577,564</u>

LIABILITIES AND ASSOCIATION EQUITY

Current Liabilities		
Accounts payable	16,830	17,693
Operating line of credit	-0-	-0-
Research holding payable	-0-	-0-
OECD assessment	9,807	9,807
Accrued expenses	67,699	68,566
Unearned revenue	18,588	49,450
Current portion of notes payable	6,164	4,623
Total Current Liabilities	<u>119,088</u>	<u>150,139</u>
Long Term Debt		
Notes payable, net of current portion	<u>4,623</u>	<u>0</u>
Total Liabilities	<u>123,711</u>	<u>150,139</u>
Net Assets		
Unrestricted	<u>1,352,259</u>	<u>1,427,425</u>
Total Liabilities and Equity	<u>\$1,475,970</u>	<u>\$1,577,564</u>

**STATEMENT OF OPERATIONS AND ASSOCIATION EQUITY
YEAR ENDED APRIL 30, 2010**

	<u>FSS</u>	<u>CERT</u>	<u>FRM</u>	<u>PROM</u>	<u>CCIA</u>	<u>TOTAL</u>
Total revenue	555,623	727,684	10,779	86,363	9,353	1,389,802
Operating expenses	774,326	452,637	4,054	63,499	9,341	1,303,857
Excess (deficiency) of Revenue over expense	(\$218,703)	264,068	6,725	22,864	212	\$ 85,945
Net Assets – Beginning 2009						\$1,352,259
Net Assets – Ending 2010						\$1,438,204

PROMOTION REPORT

Years Ended April 30, 2009 & 2010

Fiscal Report	2010	2009
Revenue		
Promotion Fees	\$51,853	\$48,367
Annual Meeting	\$34,030	\$34,653
Interest Income	\$ 480	\$ 163
Total Promotion Revenue	\$86,363	\$83,183
Operating Expenses		
Promotion	\$27,188	\$40,079
Meetings & Conventions	\$ 2,872	
Annual Meeting	\$33,254	\$36,127
Postage	\$ 185	
Total Operating Expenses	\$63,499	\$76,206
Excess (Deficiency) of Revenue Over Expenses	\$22,864	\$ 6,977

Promotion Has \$55,565.55 Cash Reserve (4/30/10)

MANAGER'S REPORT - JERRY ROBINSON

In 2010 there was total application for certification of acreage of 55,491 acres which is drop from last year of 3,530 acres.

Barley acreage certified decreased by 35 acres, while wheat acreage certified decreased by 2,286 acres. There was a 962 acre decrease in certified acres of miscellaneous crops. This acreage for certification still ranks number 8 since 1978 being 8,918 acres behind the number one year of acres certified in Washington State (1985 w/64,409 acres).

WSCIA has begun the implementation of a Quality Assurance (QA) Program for pulse crops. This is an AOSCA sanctioned program similar to regular certification but with differences in field inspection requirements and costs.

WSCIA has recently applied for and received an exclusive license for an Edamame Bean (edible soybean) from WSURF. WSCIA-FSS has been working with WSU breeder for the past 6 years on this project and with the retirement of An Hang the project would be ended. The variety which WSCIA is licensing has commercial promise and currently WSCIA is seeking potential sub-licensees.

The net result of Association operations for the 2009-2010 fiscal year shows a net gain of \$75,166. This revenue increase is primarily due to continued high percentage use of certified seed in the fall of 2009 and spring of 2010. The large amount of Foundation Seed sold last year did not materialize in 2009 so the overall revenue was not as high as the previous year. Current board mandated cash reserve for WSCIA is \$250,000 with additional cash reserve of \$175,500 set aside.

WSCIA currently has no long term debt.

WSCIA Foundation Seed Service Report For Crop Year 2009 – 10 Ron R. Whittum

The 2010 crop year included 258 acres of Foundation and Breeder Seed production, an 8.5% decrease from last year, producing 1,043,215 pounds of Foundation small grains and pulses (23% decrease), and 27,024 pounds of Breeder small grains and soybeans (46% increase).

Foundation Seed Service produced Foundation and Breeder Seed for Washington State University, Oregon State University, USDA/ARS and four private seed companies, an increase by one over last year. FSS continues to seek partnerships within the seed industry for production of primary seed stocks.

Yields for our small grains were generally very good this year. Despite untimely rainfall, cleaning of fall crops progressed well, including quick response by our warehouse crew to sift/scalp a few spring crops for removal of nightshade & other weed seed for safe storage of the crop. Out of a received crop of 1,070,239 Lbs, there have been 533,677 Lbs of grain and pulse crops processed to date at the WSU Seedhouse.

Several different lentil & chickpea varieties were used as one acre isolation strips between wheat increases at the Othello station again this year, as well as 5 to 10 acre block increases of lentils. Foundation dry bean acreage was down at the Othello station, from 20 acres down to 7, but an additional 15 acres were grown off-station. Edamame soybean acreage was up, from 1/3 acre in 2009 to 7 acres this year. The addition of edamame soybean seed to the WSCIA-FSS program is new. Licensing of several edamame varieties are being discussed with WSU. This profitable crop should continue to be produced by FSS for some time to come.

The recent 2010 Fall plantings at the Othello and Prosser Research Stations totaled 45 acres, including a total of 9 Head Row blocks (8.5 acres) for increase of Breeder seed. Off-station plantings totaled 58 acres. Of the 103 total acres, 40 are for Private's, 18 for OSU & 24 for WSU/USDA-ARS. Barley isolation strips total 21 acres. Overall a 24% increase in fall plantings.

<u>Foundation Seed Service Facts</u>	<u>2009</u>	<u>2010</u>	<u>+/- Change</u>
Breeder Lots Grown	6	15	+9
Single Heads Snapped	22,500	14,000	-37.8%
Foundation Small Grains Produced	1,274,315 #	824,169 #	-35.3%
Foundation Peas, Lentils, Garbs Produced	57,433 #	190,738 #	+232.1%
Foundation Dry Bean Varieties Produced	5	4	-1
Foundation Edamame Varieties Produced	1	1	--
Grass Seed Distributed	4,956 #	3,844 #	-22.4%
Foundation Seed Distributed	678,303 #	894,601 #	+31.9%
Number of Varieties Planted (Fall '10)	22	29	+7

Only capital purchase was the trade-in of our aging 1Ton "dually" towards a new 1Ton diesel flatbed pickup truck.

ACREAGE APPLIED FOR CERTIFICATION FOR THE PAST 33 YEARS

1978 -- 31,163	1989 -- 53,274	2000 -- 51,904
1979 -- 40,123	1990 -- 54,123	2001 -- 45,867
1980 -- 40,638	1991 -- 43,628	2002 -- 52,408
1981 -- 37,500	1992 -- 60,543	2003 -- 53,785
1982 -- 45,129	1993 -- 54,913	2004 -- 55,895
1983 -- 46,496	1994 -- 47,375	2005 -- 49,465
1984 -- 58,747	1995 -- 47,931	2006 -- 47,859
1985 -- 64,409	1996 -- 53,075	2007 -- 45,106
1986 -- 61,879	1997 -- 53,847	2008 -- 61,111
1987 -- 54,788	1998 -- 55,018	2009 -- 59,021
1988 -- 50,606	1999 -- 48,784	2010 -- 55,491

Percent of Washington Wheat & Barley Crop Planted with Certified Seed

YEAR	TOTAL WHEAT & BARLEY ACRES	AVERAGE SEEDING RATE LBS/ACRE	POUNDS CERTIFIED SEED FOR IN STATE USE	POUNDS OF SEED TO PLANT TOTAL ACRES	PERCENT ACRES PLANTED WITH CERTIFIED SEED
1986	4,050,000	63.1	83,052,290	255,393,000	32.9%
1987	2,745,000	62.9	115,508,278	172,660,500	66.9%
1988	2,750,000	64.2	101,548,905 (800,000 acres re-seeded)	194,700,000	52.2%
1989	3,600,000	70.8	136,954,625	254,880,000	53.7%
1990	3,000,000	64.0	144,944,821 (700,000 acres re-seeded)	192,000,000	75.5%
1991	4,280,000	74.0	80,272,925	316,720,000	25.3%
1992	3,100,000	65.0	139,114,497	201,500,000	69.0%
1993	3,400,000	64.1	142,097,587	218,008,800	65.2%
1994	2,960,000	63.3	133,722,100	187,308,800	71.4%
1995	2,960,000	66.1	135,899,909	195,600,000	69.5%
1996	3,195,000	66.9	151,095,714	207,483,300	72.8%
1997	3,200,000	66.5	148,850,265	212,928,000	70.0%
1998	3,200,000	66.0	163,393,200	211,200,000	77.3%
1999	3,200,000	66.0	150,801,772	211,200,000	71.4%
2000	3,055,000	68.2	146,258,202	208,351,000	70.2%
2001	2,975,000	68.4	137,643,234	203,490,000	67.6%
2002	2,770,000	68.8	144,930,150	190,576,000	76.0%
2003	2,770,000	68.9	132,546,247	190,991,500	69.4%
2004	2,650,000	68.4	142,871,120	181,260,000	78.8%
2005	2,550,000	66.8	146,465,531	170,340,000	86.0%
2006	2,495,000	66.8	149,083,902	166,666,000	89.0%
2007	2,500,000	66.6	139,152,592	166,666,000	83.5%
2008	2,615,000	66.7 (16 yr Ave)	171,971,392	174,420,500	
2009	2,495,000	66.7	185,838,021	166,416,000	
2010	2,420,000	66.7	203,824,793	161,414,000	

5 Year Average: 81.3%

10 Year Average: 76.91%

Averages do not include 2008-2010 crop year

2010 TOTAL ACRES CERTIFIED (50,698 ACRES)

WHEAT	
Alpowa	75
Babe	221
Bauermeister	597
Boundary	246
Bruehl	3,632
Brundage 96	1,139
Buchanan	61
Cara	568
Chukar	223
Coda	195
Diva	18
Eden	863
Eltan	2,777
Farnum	1,069
Goetze	585
Hill 81	145
Hollis	126
JD	407
Jefferson	1,129
Jerome	125
Kelse	182
Lambert	102
Louise	3,473
Madsen	778
Masami	445
Moro	38
Norwest 553	529
ORCF-101	304
ORCF-102	4,286
ORCF-103	310
Otis	88
Rod	1,098
Skiles	200
Stephens	279
Tara 2002	688
Tubbs "06"	1,757
Wakanz	226
Whit	159
Xerpha	4,689
Yamhill	1
PROPRIETARY (29 %)	13,950
TOTAL	47,783

BARLEY	
Belford	45
Bob	399
Hoodly	236
Washford	2
Proprietary (21%)	191
TOTAL	873

MISCELLANEOUS	
OAT	
Monida	98
Park	25
Proprietary (63%)	212
TOTAL	335
FIELD PEA	
Specter	1.3
TOTAL	1.3
CHICKPEA	
Sawyer	7
Sierra	60.5
Troy	9
Proprietary	526
TOTAL	602.5
LENTIL	
Brewer	10
Cedar	9
Essex	.4
Merrit	2
Pardina	36
Shasta	7.2
Red Chief	2
TOTAL	66.6
TRITICALE	
Proprietary	1,006
TOTAL	1,006
SPELT	
Proprietary	30
TOTAL	30