



2017 ANNUAL REPORT

Washington State Crop Improvement Association

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Mike Pumphrey - Pullman..... Foundation Seed Representative, WSU
Hannah Kammeyer - Corvalis..... OSU

WSCIA BUSINESS OFFICE

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Jerry L. Robinson Karen Olstad Lauren Port Cheri Jo Kramer

WSCIA FOUNDATION SEED SERVICE

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Darlene Hilkin Gary Becker Darryl Krause

BALANCE SHEET
APRIL 30, 2016 & 2017

ASSETS		
	<u>2017</u>	<u>2016</u>
<u>Current Assets</u>		
Cash	\$ 515,021	\$ 984,828
Accounts Receivable	378,758	244,107
Pledge Receivable		75,000
Inventory		
Seed	545,971	373,955
Supplies	39,140	36,445
Prepaid Expenses	<u>17,010</u>	<u>16,494</u>
Total Current Assets	<u>\$1,495,900</u>	<u>\$1,730,829</u>
<u>Plant & Equipment</u>		
Land	\$ 67,199	\$ 67,199
Buildings and Improvements	873,145	840,502
Seed Plant Equipment	407,472	412,593
Vehicles and Trailers	461,742	473,775
Office Equipment	155,462	162,038
Equipment not yet placed into service	68,558	
Software in Development	21,735	
Less: accumulated depreciation	<u>(907,112)</u>	<u>(861,388)</u>
Net Plant and Equipment	<u>1,148,201</u>	<u>1,094,719</u>
Total Assets	<u>\$2,644,101</u>	<u>\$2,825,548</u>
LIABILITIES AND ASSOCIATION EQUITY		
<u>Current Liabilities</u>		
Accounts payable	\$ 180,313	21,929
Operating line of credit	-0-	-0-
Other payable	-0-	139,796
Assessments & Royalties Payable	40,335	45,771
Accrued expenses	81,430	86,798
Unearned revenue	16,810	23,699
Current portion of long-term debt	<u>0</u>	<u>16,189</u>
Total Current Liabilities	318,888	334,182
<u>Long Term Debt</u>		
Notes payable, net of current portion	<u>0</u>	<u>267,163</u>
Total Liabilities	<u>318,888</u>	<u>601,345</u>
<u>Net Assets</u>		
Unrestricted	<u>2,125,213</u>	<u>2,224,203</u>
Unrestricted-Board Designated	200,000	0
Total Net Assets	<u>2,325,213</u>	<u>2,224,203</u>
Total Liabilities and Equity	<u>\$ 2,644,101</u>	<u>\$ 2,825,548</u>

STATEMENT OF OPERATIONS AND ASSOCIATION EQUITY
YEAR ENDED APRIL 30, 2017

	<u>FSS</u>	<u>CERT</u>	<u>FRM</u>	<u>PROM</u>	<u>CCIA</u>	<u>LP</u>	<u>TOTAL</u>
Total revenue	1,054,289	914,109	13,269	111,599	11,780	7,300	2,112,346
Operating expenses	<u>1,219,996</u>	<u>687,454</u>	<u>4,196</u>	<u>89,029</u>	<u>5,865</u>	<u>4,796</u>	<u>2,011,336</u>
Excess (deficiency) of							
Revenue over expense	(\$165,707)	\$226,655	\$9,073	\$22,570	\$5,915	\$2,504	\$101,010
Net Assets – Beginning							\$2,224,203
Net Assets – Ending							<u>\$2,325,213</u>

PROMOTION REPORT

Years Ended April 30, 2016 & 2017

Fiscal Report	2017	2016
Revenue		
Promotion Fees	\$ 58,902	\$ 58,040
Annual Meeting	\$ 52,660	\$ 47,200
Interest Income	<u>\$ 37</u>	<u>\$ 13</u>
Total Promotion Revenue	<u>\$111,599</u>	<u>\$105,253</u>
Operating Expenses		
Promotion	\$34,648	\$25,912
Meetings & Conventions	\$ 0	\$ 0
Annual Meeting	\$53,085	\$47,296
Postage	\$ 1,291	\$ 534
State Business Taxes	<u>\$ 5</u>	<u>\$ 10</u>
Total Operating Expenses	<u>\$89,029</u>	<u>\$73,752</u>
Excess (Deficiency) of Revenue	\$22,570	\$31,501

FY 2016 -2017 MANAGER'S REPORT - JERRY ROBINSON

2017 had a total application for certification of **53,986** acres which is a decrease of **15,148** acres from the previous year. Of the **53,986** acres applied for certification **47,716** acres passed field inspection and moved forward in the certification process.

Certified barley acreage remains steady this year with only 60 acre increase to 889 acres, while certified wheat acreage declined by 13,477 acres to a total of 41,622 acres. The acres of certified chickpeas also remains steady this year with an increase of 125 acres to 3,204 acres this year. A significant 1,444 acre drop for the third year reduced total certified triticale acres to 234.

A total of 125 wheat varieties were inspected for certification along with 14 varieties of barley and 3 varieties of triticale. Certification of pulse crops continues to remain steady with 9 chickpea varieties inspected along with 3 lentil varieties and 1 variety of pea.

The net result of Association operations for the 2016-17 fiscal year shows an excess of revenue over expenses of \$101,010. This excess in revenue is due to continued good use of certified seed, solid foundation seed sales and very good use of the FSS production services this past year. With the continued profitability and current state of reserves of the Association the Board of Directors made the decision to pay the balance due of the WSCIA office building construction loan in the amount of \$298,157. This payment of principal and interest due has cleared the Association of any long term debt. Following the payoff of the WSCIA Office the Association currently has a reserve of \$214,400 in a FDIC insured program.

Currently the Washington Department of Agriculture and WSCIA are working on a short term Memorandum of Agreement to be in force until agreed upon changes in the RCW and WAC can be made during the next legislative session in Olympia. The changes being sought in the legislature are supported by both WSDA and WSCIA and should help the Association run more efficiently in the future.

To summarize The Washington State Crop Improvement Association, Inc. is financially strong and continues to be active in all aspects of seed production and seed certification.

WSCIA Foundation Seed Services Report For Crop Year 2016 - 17

The 2016 – 17 Crop year acreage for the WSCIA Foundation Seed Program declined somewhat from last year but still higher than previous averages. The custom production for breeding programs continues to be a strong part of the WSCIA Foundation Seed Program.

Foundation cereal seed sales fell this year due to several factors, low wheat price, late spring and high value of garbanzo beans. The sales for this past year have dropped by 17% which is fairly significant in the bottom line of the Foundation Seed Program.

The USDA legume varieties license program is progressing quite well with license holders currently in 9 states with inquires for additional states. The Avondale lentil and Hampton green pea have both performed well in Montana and are the bulk of the current royalty revenue. The two chickpea lines, Royal and Nash have been gaining traction in the PNW with seed availability being the main stumbling block to increased acres. To meet demand for 2017 lentil and chickpea seed stocks WSCIA-FSS contracted with several commercial seed houses to help produce foundation seed stocks. Even with the larger and more diverse production legume production fell below expectations both for lentils and chickpeas. The spring legumes will be allocated from by an estimated 35% to 50% depending upon the variety.

<u>Foundation Seed Service Facts</u>	<u>2016</u>	<u>2017</u>	<u>+/- Change</u>
<i>Breeder Lots Grown</i>	23	19	-4
<i>Single Heads Snapped</i>	15,000	3,500	-23 %
<i>Foundation Small Grains Produced</i>	1,913,000 lbs.	1,044,365	-45.4 %
<i>Foundation Peas, Lentils, Garbs Produced</i>	558,265 lbs.	332,849	-40.4%
<i>Foundation Dry Bean Varieties Produced</i>	0	0	0
<i>Grass Seed Distributed</i>	2,080 lbs.	2,750	+24.4%
<i>Foundation Seed Distributed</i>	736,150 lbs.	608,560 lbs.	-17.2%
<i>Number of Varieties Planted (incl. Legume)</i>	54	62	+ 8
<i>Total acres of Foundation Seed Production</i>	545.6	403.55	-142.05

ACREAGE APPLIED FOR CERTIFICATION FOR THE PAST 39 YEARS

<i>1978 - 31,163</i>	<i>1991 - 43,628</i>	<i>2004 - 55,895</i>
<i>1979 - 40,123</i>	<i>1992 - 60,543</i>	<i>2005 - 49,465</i>
<i>1980 - 40,638</i>	<i>1993 - 54,917</i>	<i>2006 - 47,859</i>
<i>1981 - 37,500</i>	<i>1994 - 47,375</i>	<i>2007 - 45,106</i>
<i>1982 - 45,129</i>	<i>1995 - 47,931</i>	<i>2008 - 61,111</i>
<i>1983 - 46,496</i>	<i>1996 - 53,075</i>	<i>2009 - 59,021</i>
<i>1984 - 58,747</i>	<i>1997 - 53,847</i>	<i>2010 - 55,491</i>
<i>1985 - 64,409</i>	<i>1998 - 55,018</i>	<i>2011 - 60,298</i>
<i>1986 - 61,879</i>	<i>1999 - 48,784</i>	<i>2012 - 56,208</i>
<i>1987 - 54,788</i>	<i>2000 - 51,904</i>	<i>2013 - 62,791</i>
<i>1988 - 50,606</i>	<i>2001 - 45,867</i>	<i>2014 - 69,025</i>
<i>1989 - 53,274</i>	<i>2002 - 52,408</i>	<i>2015 - 74,782</i>
<i>1990 - 54,123</i>	<i>2003 - 53,785</i>	<i>2016 - 69,135</i>
		<i>2017 - 54,072</i>

**Percent of Washington Wheat & Barley Crop
Planted with Certified Seed**

	NASS -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	Wheat Only
2009	2,495,000	66.7	185,838,021	166,416,500	Wheat Only
2010	2,420,000	68	203,824,793	164,560,000	Wheat Only
2011	2,505,000	68	199,196,650	170,340,000	Wheat Only
2012	2,145,000	63.2	164,714,758	135,564,000	Wheat Only
2013	2,230,000	75	164,352,099	167,250,000	98%
2014	2,230,000	78	183,692,870	173,940,000	Wheat Only
2015	2,280,000	76	166,081,805	173,280,000	96% wheat only
2016	2,293,000	71	173,027,897	162,803,000	90-100%
2017	2,290,000	74	168,930,406	169,460,000	90-100%

Estimated Acres Taken From National Agricultural Statistics Service for Washington State. Pounds certified are based on reported in state sales by Certified Washington Seed Dealers.

2017 TOTAL ACRES CERTIFIED (47,716 ACRES)

BARLEY	
Fritz	38
Full Pint	1
Havener	98
Hoody	4
Lyon	150
Survivor	35
TOTAL PUBLIC	325
TOTAL PROPRIETARY	2147
GRAND TOTAL	2472
BUCKWHEAT	
TOTAL PROPRIETARY	145
CHICKPEA	
CDC Frontier	310
CDC Orion	54
HB-14	30
Nash	174
Royal	263
Sawyer	784
Sierra	1537
Troy	51
TOTAL PUBLIC	3203
LENTIL	
Avondale	2
Merrit	9
Morton	1
TOTAL PUBLIC	12
OAT	
Monida	78
Park	16
TOTAL PUBLIC	94
TOTAL PROPRIETARY	28
GRAND TOTAL	122
PEA	
Hampton	247
HYBRID RYE	
TOTAL PROPRIETARY	72
SPELT	
TOTAL PROPRIETARY	55
TRITICALE	
TOTAL PROPRIETARY	264

WHEAT	
Alum	358
ARS Crescent	2740
Babe	88
Bobtail	19
Bruehl	600
Brundage 96	150
Bruneau	80
Chet	318
Chukar	20
Coda	104
Curiosity CL+	2052
Diva	552
Eltan	1316
Glee	1968
Jasper	771
JD	2061
Kelse	689
Louise	2737
Madsen	203
Masami	125
Mela CL+	213
Melba	122
Norwest Duet	992
Norwest Tandem	440
ORCF-102	1980
ORCF-103	160
Otto	1624
Pritchett	37
Puma	1620
Resilience CL+	181
Rosalyn	1
Ryan	209
Seahawk	160
Sequoia	230
Skiles	46
Soft Svevo	1
Stephens	2
Tekoa	27
UI Castle	322
UI Magic	1981
UICF-Brundage	177
Whit	20
Xerpha	350
TOTAL PUBLIC	27844
TOTAL PROPRIETARY	13281
GRAND TOTAL	41125

Report includes only fields that passed field inspection as Foundation, Registered, or Certified Class.

Seed Certification Advisory Committee

The role of this committee is to review certification standards and procedures and make recommendations to the WSCIA Board of Directors. There are 5 voting members that are appointed by the Association President, but the committee at large may be comprised of any number of seed industry and board representatives.

If you are interested in joining the Seed Certification Advisory Committee, please contact WSCIA. This committee will be meeting in early December to begin drafting proposed changes to the WAC.

Possible WAC Amendments for 2018

The following changes will be proposed by WSCIA/WSDA in early 2018.

16-302-050: Review and change deadlines and requirements for field inspection applications.

16-302-560: Misc standards for seed certification. Speaks to when chickpeas and other crops are to be inspected. This may need to be updated if needed chickpea inspection timing is decided to be different than what is currently listed in WAC.

16-302-660: Field pea standards for seed certification. Possible changes to land history; update language in standards so that they address winter food grade pea.

16-302-665: Lentil standards for seed certification. Change land history requirements for registered and foundation class, possibly change isolation.

16-302-690: Chickpea standards for seed certification. Change land history requirements and isolation. Remove the requirement that seed stocks be treated with thiabendazole. Clarify when chickpeas are to be inspected.

16-303-340: Seed certification fees. Add language to this section for the WSCIA audit process regarding timing of audits, due dates, and required compliance. Increase the late application fee.

Promotion & Education Committee

Each year the WSCIA Promotion & Education Committee allocates funds for agriculture-related youth education. These funds were used to support the 2017 Washington State FFA Convention, held in Pullman May 11-13. The convention was attended by 3,318 members and guests. Other groups are eligible to apply for these education funds, and requests are reviewed twice a year. The deadlines for these requests are April 1 for spring review, and September 1 for fall review. This fall, the committee allocated funds to seven groups from Eastern and Western Washington. Funds are available again for April allocation. More information can be found at washingtoncrop.com/edfunds.

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