



Friday, September 27, 2024  
2:30 - 4 p.m. MT  
The Westin Denver Downtown  
1672 Lawrence Street  
Denver, CO 80202

[link](#)

Shelly Hartmann, Chair, Presiding

**AGENDA**

- |  |                 |
|--|-----------------|
| 1. Call to Order/Roll Call   | Shelly Hartmann |
| 2. Consent Agenda Approval   | Shelly Hartmann |
| <ul style="list-style-type: none"><li>● Agenda</li><li>● Approval of Minutes</li><li>● Q2 Financials</li></ul> |                 |
| 3. Chair Report  | Shelly Hartmann |
| a. Board Retreat   |                 |
| b. Assessment Steering Committee Appointments  |                 |
| 4. President's Report  | Kasey Cronquist |
| 5. USHBC Program Reports   | Shelly Hartmann |
| a. Executive Committee Report  | Shelly Hartmann |
| i. DRAFT Health Research Doctrine  |                 |
| ii. Appointment of Assessment Steering Committee   |                 |
| b. Advertising & Promotions Program Report   | Kevin Hamilton  |
| c. Industry Engagement Program Report  | Amanda Griffin  |
| d. BerrySmart Data & Insights Program Report   | Joe Vargas      |
| e. Finance Report  | JC Clinard      |
| i. 2025 Memorandum of Agreement between NABC and USHBC   |                 |
| ii. 2025 Budget Approval   |                 |
| 6. Passing the Gavel   | Shelly Hartmann |
| 7. Other Business  | Shelly Hartmann |
| 8. Question and Answer Period  | Shelly Hartmann |
| 9. Items and Scheduling of Next Meetings   | Shelly Hartmann |
| 10. Adjourn  | Shelly Hartmann |

# USHBC Members & Alternates

September 2023

<b>CALIFORNIA:</b>	Member – Doug LaCroix Alternate – Bill Steed	(1 <sup>st</sup> Term ends 12/31/25) (1 <sup>st</sup> Term ends 12/31/25)
<b>FLORIDA:</b>	Member – Brittany Lee Alternate – Michael Hill	(1 <sup>st</sup> Term ends 12/31/25) (1 <sup>st</sup> Term ends 12/31/25)
<b>GEORGIA:</b>	Member – Tammy Brannen Alternate –	(1 <sup>st</sup> Term ends 12/31/25)
<b>MICHIGAN:</b>	Member – Dennis Vander Kooi Alternate – George Fritz, Jr.	(1 <sup>st</sup> Term ends 12/31/25) (1 <sup>st</sup> Term ends 12/31/25)
<b>NEW JERSEY:</b>	Member – Paul Macrie III Alternate – Chelsea Consalo	(2 <sup>nd</sup> Term ends 12/31/25) (1 <sup>st</sup> Term ends 12/31/25)
<b>NORTH CAROLINA:</b>	Member – Jimmy Horrell Alternate – Kristen Johnson-Brinkley	(1 <sup>st</sup> Term ends 12/31/25) (1 <sup>st</sup> Term ends 12/31/25)
<b>OREGON:</b>	Member – Doug Krahmer Alternate – Ellie Norris	(2 <sup>nd</sup> Term ends 12/31/25) (1 <sup>st</sup> Term ends 12/31/25)
<b>WASHINGTON:</b>	Member – Bryan Sakuma (Vice Chair) Alternate – Leif Olsen	(2 <sup>nd</sup> Term ends 12/31/25) (1 <sup>st</sup> Term ends 12/31/25)
<b>REGION 1 (West):</b>	Member – Nathan Sakuma Alternate – Anne Krahmer-Steinkamp	(1 <sup>st</sup> Term ends 12/31/24) (1 <sup>st</sup> Term ends 12/31/24)
<b>REGION 2 (Midwest):</b>	Member – Shelly Hartmann (Chair) Alternate – Katelyn Craig	(2 <sup>nd</sup> Term ends 12/31/24) (1 <sup>st</sup> Term ends 12/31/24)
<b>REGION 3 (Northeast):</b>	Member – Dave Arena Alternate – Art Galletta (Past Chair)	(2 <sup>nd</sup> Term ends 12/31/24) (2 <sup>nd</sup> Term ends 12/31/24)
<b>REGION 4 (South):</b>	Member – Jody McPherson Alternate – Michael Thomas	(1 <sup>st</sup> Term ends 12/31/24) (1 <sup>st</sup> Term ends 12/31/24)
<b>IMPORTER #1:</b>	Member – Bonnie Lundblad Alternate –	(1 <sup>st</sup> Term ends 12/31/24)
<b>IMPORTER #2:</b>	Member – JC Clinard (Treasurer) Alternate – Guy Cotton	(2 <sup>nd</sup> Term ends 12/31/25) (2 <sup>nd</sup> Term ends 12/31/25)
<b>IMPORTER #3:</b>	Member – Ryan Lockman Alternate – Andrew Maiman	(1 <sup>st</sup> Term ends 12/31/25) (1 <sup>st</sup> Term ends 12/31/25)
<b>IMPORTER #4:</b>	Member – Joe Barsi (Secretary) Alternate – Bo Slack	(1 <sup>st</sup> Term ends 12/31/25) (1 <sup>st</sup> Term ends 12/31/25)
<b>EXPORTER 1:</b> (Chile)	Member – Felipe Silva Alternate – Sebastian Carmona	(1 <sup>st</sup> Term ends 12/31/24) (1 <sup>st</sup> Term ends 12/31/24)
<b>EXPORTER 2:</b> (Canada)	Member – Mark Adams Alternate – Ray Biln	(1 <sup>st</sup> Term ends 12/31/25) (1 <sup>st</sup> Term ends 12/31/25)
<b>EXPORTER 3:</b> (Peru) 2-year term	Member – Daniel Bustamante (Mbr @ Large) Alternate – Jose Antonio Castro	(1 <sup>st</sup> Term ends 12/31/24) (1 <sup>st</sup> Term ends 12/31/24)
<b>EXPORTER 4:</b> (Mexico) 2-year term	Member – Jose Luis Bustamante Alternate – Jose Guillermo Romo	(1 <sup>st</sup> Term ends 12/31/24) (1 <sup>st</sup> Term ends 12/31/24)
<b>PUBLIC MEMBER:</b>	Member – Amy Howell Alternate – Bill Cline	(2 <sup>nd</sup> Term ends 12/31/24) (2 <sup>nd</sup> Term ends 12/31/24)

## AGENDA ITEM #2

### Consent Agenda

- Agenda
- Minutes from May 8, 2024
  - Q2 Financials



**U.S. Highbush Blueberry Council**

**Wednesday, May 8, 2024  
9-10:30 a.m. PT**

**VIRTUAL**

**Shelly Hartmann, Chair, Presiding**

**MINUTES**

**Call to Order**

The meeting was called to order by Shelly Hartmann at 9:01 a.m. PT on Wednesday, May 8, 2024.

**Council Members Present:** Shelly Hartmann, Doug LaCroix, Brittany Lee, Denny Vander Kooi, Paul Macrie, Jimmy Horrell, Bryan Sakuma, Nathan Sakuma, Dave Arena, Bonnie Lundblad, JC Clinard, Ryan Lockman, Joe Barsi, Felipe Silva, Mark Adams, Jose Luis Bustamante and Amy Howell

**Council Alternates Present:** Michael Hill, Kristen Johnson-Brinkley, Art Galletta, Andrew Maiman, Bill Cline and Katelyn Craig

**Council Members Absent:** Tammy Brannen, Doug Krahmer, Jody McPherson and Daniel Bustamante

QUORUM PRESENT

**Guests Present:** Jeff De Lyser, Propp, Christensen and Caniglia

**USDA/AMS Representative:** Jeanette Palmer

**Staff Members Present:** Kasey Cronquist, Kevin Hamilton, Amanda Griffin, Joe Vargas, Josette Reina-Luken, Julie Fogarty, Kristy Babb and Melinda Kern

**Approval of Consent Agenda**

**ACTION 1:** Motion made by Paul Macrie to approve the consent agenda for May 8, 2024.

Motion seconded by Bonnie Lundblad.

Motion carried unanimously.

## **Chair Remarks**

Shelly Hartmann reviewed recent spring events, including the Health Research and Nutrition Committee meeting and the council retreat.

Hartmann expressed gratitude for those who were able to attend the USHBC Council retreat and emphasized the important role USHBC plays in leading the industry. Hartmann reported that the council came to consensus to move forward with plans to pursue an assessment increase. Next steps will be focusing energy to present in Denver. The council will continue to organize opportunities to gather with regional council members and impact the industry as a whole.

## **President's Report**

Kasey Cronquist expanded on Hartmann's mention of recent meetings. The Health Research Nutrition Advisory Board met with Jim DeLizia in Santa Barbara, California, to develop a Health Research Doctrine. The USHBC Council met for their first ever USHBC Council retreat at USHBC Headquarters in Folsom where future vision, including the possibility of an assessment increase, were discussed. Cronquist reiterated the next steps for this process.

Cronquist reported that an agency review was conducted under the leadership of Kevin Hamilton, and that while Padilla will still be assisting in some areas, Shafer Condon Carter (SCC) has been selected moving forward. Kevin Hamilton thanked the council members who assisted in the selection process.

Cronquist provided an update on the VP of Finance and Administration hiring process. The first round of candidates did not end in a hire and candidate recruitment has been reopened. Josette Reina-Luken will continue to serve in the interim. Cronquist reviewed the staff organizational chart and reported on future positions to be filled.

Cronquist mentioned recent conversations with the USDA regarding the USHBC and NABC Memorandum of Understanding. The USDA has requested changes that will reshape the financial relationship between the two organizations. Manuel Michel has been contracted to assist with the MOU process.

Cronquist and Joe Vargas reviewed 2023 AMS market news in volume and pricing. Vargas announced the relaunch of the BerrySmart Forecast Module and shared its benefits to the industry, which go above and beyond AMS data.

Cronquist highlighted the USHBC sponsorship of Major League Pickleball.

## **USHBC 2023 Audit Approval**

JC Clinard provided the Finance Committee's recommendation to the council to accept the audit report as presented.

**ACTION 2:** Motion by Jose Luis Bustamante to approve the 2023 audit report as presented.

Motion seconded by Art Galleta.

Motion carried unanimously.

## **USHBC 2024 Budget Amendment**

Cronquist reviewed the 2024 budget amendment. Clinard recommended to the council to accept the 2024 budget amendment.

**ACTION 3:** Motion made by Art Galleta to approve the 2024 budget revisions as presented.

Motion seconded by Joe Barsi.

Motion carried unanimously.

## **Scheduling of Next Meeting**

The 2024 Blueberry Summit will be held September 25-27, 2024, in Denver, Colorado.

## **Adjournment**

**ACTION 3:** Motion made by JC Clinard to adjourn the meeting.

Motion seconded by Kristen Johnson-Brinkley.

Motion passed unanimously and the meeting was adjourned at 10:10 a.m. PT on Wednesday, May 8, 2024.



**U.S. Highbush Blueberry Council**

**STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2024 AND 2023**

	<u>6/30/2024</u>	<u>6/30/2023</u>
<b>ASSETS</b>		
Current Assets		
Financial Institutions		
Cash	\$ 8,245,962	\$ 6,933,358
Bank Certificate of Deposit	480,935	463,120
Total Financial Institutions	<u>8,726,898</u>	<u>7,396,478</u>
Accounts Receivable		
Foreign Crop Assessments	239,056	205,680
USDA Grant Reimbursements	115,972	501,769
Accounts Receivable	207,221	33,566
Due from NABC	-	19,775
Contributions Receivable	1,146,217	661,641
Total Accounts Receivable	<u>1,708,466</u>	<u>1,422,431</u>
Total Current Assets	<u>10,435,364</u>	<u>8,818,910</u>
Equipment, Net	<u>-</u>	<u>-</u>
Other Assets		
Right-of-Use Asset	275,345	405,191
Prepaid Expense	<u>-</u>	<u>-</u>
Total Other Assets	<u>275,345</u>	<u>405,191</u>
Total Assets	<u><u>10,710,709</u></u>	<u><u>9,224,101</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts Payable	2,267,890	1,744,409
Health Research Contract Obligations	1,538,244	2,325,802
Credit Cards	314	16
Deferred Crop Assessment Revenue	<u>-</u>	<u>-</u>
Total Liabilities	<u>3,806,448</u>	<u>4,070,227</u>
Long Term Liabilities		
Right-of-Use Liability	<u>302,789</u>	<u>440,915</u>
Total Long Term Liabilities	<u>302,789</u>	<u>440,915</u>
Net Assets		
Without Donor Restrictions	<u>6,601,471</u>	<u>4,712,959</u>
Total Liabilities and Net Assets	<u><u>\$ 10,710,709</u></u>	<u><u>\$ 9,224,101</u></u>



U.S. Highbush Blueberry Council

JANUARY - JUNE 2024 STATEMENT OF ACTIVITIES  
ACTUAL VS. BUDGET AND % OF ANNUAL BUDGET REALIZED

	January - June 2024	2024 Annual Budget	Variance (Under)/Over	% of Budget
Revenue				
Domestic Crop Assessments	\$ 4,609,569	\$ 4,700,000	\$ (90,431)	98.1%
Foreign Crop Assessments	3,393,054	6,400,000	(3,006,946)	53.0%
Grant Revenue	93,089	711,476	(618,387)	13.1%
Contributions	1,146,217	2,250,000	(1,103,783)	50.9%
Interest Income	20,746	125,000	(104,254)	16.6%
Late Fee Income	2,356	-	2,356	0.0%
Other Revenue	100,000	-	100,000	0.0%
Total Revenue	<u>9,365,030</u>	<u>14,186,476</u>	<u>(4,821,446)</u>	<u>66.0%</u>
Program Expenses				
Market Promotion & Publicity	1,865,817	4,553,905	(2,688,088)	41.0%
Export Market Promotion	460,446	1,794,026	(1,333,580)	25.7%
Health Research	132,290	501,750	(369,460)	26.4%
Industry Relations	182,941	598,000	(415,059)	30.6%
Data & Measurement	332,402	725,750	(393,348)	45.8%
Good Practices	5,015	50,000	(44,985)	10.0%
Blueberry Technology	93,750	125,000	(31,250)	75.0%
Total Program Expenses	<u>3,072,662</u>	<u>8,348,431</u>	<u>(5,275,769)</u>	<u>36.8%</u>
Other Expenses				
USHBC Program Fees	214,789	343,000	(128,211)	62.6%
General Expenses	276,158	502,500	(226,342)	55.0%
Operating Expenses	1,235,010	3,101,200	(1,866,190)	39.8%
Travel and Meeting Expenses	442,613	1,188,500	(745,887)	37.2%
Total Other Expenses:	<u>2,168,570</u>	<u>5,135,200</u>	<u>(2,966,630)</u>	<u>42.2%</u>
Total Expenses	<u>5,241,232</u>	<u>13,483,631</u>	<u>(8,242,399)</u>	<u>38.9%</u>
Change in Net Assets	4,123,798	702,845	3,420,953	
Net Assets, Beginning	<u>2,477,673</u>	<u>2,477,673</u>	<u>-</u>	
Net Assets, Ending	<u>\$ 6,601,471</u>	<u>\$ 3,180,518</u>	<u>\$ 3,420,953</u>	



U.S. Highbush Blueberry Council

JANUARY - JUNE 2024 STATEMENT OF ACTIVITIES  
ACTUAL VS. BUDGET AND % OF ANNUAL BUDGET REALIZED

	January - June 2024	2024 Annual Budget	Variance (Under)/Over	% of Budget
<b>Market Promotion &amp; Publicity</b>				
Domestic Consumer Publicity	\$ 1,182,919	\$ 2,314,367	\$ (1,131,448)	51.1%
Domestic Health Professional	51,516	368,038	(316,522)	14.0%
Food Service	70,709	225,000	(154,291)	31.4%
Food Manufacturing	34,216	208,000	(173,784)	16.4%
American Heart Association Cert.	2,573	3,500	(927)	73.5%
Digital Ecosystem	-	115,000	(115,000)	0.0%
Retail	523,883	1,220,000	(696,117)	42.9%
Unallocated Market Promotion	-	100,000	(100,000)	0.0%
<b>Total Market Promotion &amp; Publicity</b>	<b>\$ 1,865,817</b>	<b>\$ 4,553,905</b>	<b>\$ (2,688,088)</b>	<b>41.0%</b>
<b>Export Market Promotion</b>				
Global Food Manufacturing Programs	\$ -	\$ -	\$ -	0.0%
Export Consumer Promotion	297,052	988,550	(691,498)	30.0%
USDA Grant Program Expenditures	93,089	711,476	(618,387)	13.1%
Technical Export Assistance	26,613	94,000	(67,387)	28.3%
Comprehensive Blueberry MRL Memo	5,221	-	5,221	0.0%
MRL Trade Monitoring	38,472	-	38,472	0.0%
Unallocated Export Market Promotion	-	-	-	0.0%
<b>Total Export Market Promotion</b>	<b>\$ 460,446</b>	<b>\$ 1,794,026</b>	<b>\$ (1,333,580)</b>	<b>25.7%</b>
<b>Health Research</b>				
Grant Management Program	\$ 8,828	\$ 13,750	\$ (4,922)	64.2%
Research Programs	9,852	133,000	(123,148)	7.4%
Blueberry Research Bank	12,071	125,000	(112,929)	9.7%
Sponsorships	3,299	4,000	(701)	82.5%
Blueberry Researcher Meeting	33,308	60,000	(26,692)	55.5%
Research Screeners & Advisory	18,095	37,500	(19,405)	48.3%
Pointer Study Rebate	10,000	28,000	(18,000)	35.7%
Nourish Study Blueberries	2,626	10,500	(7,874)	25.0%
Nutrition Projects	34,210	90,000	(55,790)	38.0%
Unallocated Health Research	-	-	-	0.0%
<b>Total Health Research</b>	<b>\$ 132,290</b>	<b>\$ 501,750</b>	<b>\$ (369,460)</b>	<b>26.4%</b>
<b>Industry Relations</b>				
Industry Communications	\$ 49,990	\$ 208,000	\$ (158,010)	24.0%
Election Material Prep & Distribution	4,735	15,000	(10,265)	31.6%
Association Memberships	33,750	35,000	(1,250)	96.4%
Industry Leadership Development	30,251	150,000	(119,749)	20.2%
Assessment Collection Expenses	-	-	-	0.0%
Grower Incentives Print & Ship	16,209	50,000	(33,791)	32.4%
Association Management System	41,587	35,000	6,587	118.8%
Vision & Strategic Planning	6,419	105,000	(98,581)	6.1%
Industry Relations Unallocated	-	-	-	0.0%
<b>Total Industry Relations</b>	<b>\$ 182,941</b>	<b>\$ 598,000</b>	<b>\$ (415,059)</b>	<b>30.6%</b>



**U.S. Highbush Blueberry Council**  
**JANUARY - JUNE 2024 STATEMENT OF ACTIVITIES**  
**ACTUAL VS. BUDGET AND % OF ANNUAL BUDGET REALIZED**

	<u>January - June 2024</u>	<u>2024 Annual Budget</u>	<u>Variance (Under)/Over</u>	<u>% of Budget</u>
Data & Measurement				
Data Research and Analysis	\$ 186,451	\$ 437,000	\$ (250,549)	42.7%
Data Subscriptions	145,952	288,750	(142,798)	50.5%
Data Unallocated	-	-	-	0.0%
Total Data and Measurement	<u>\$ 332,402</u>	<u>\$ 725,750</u>	<u>\$ (393,348)</u>	<u>45.8%</u>
Good Practices				
Food Safety & Sustainability	\$ 5,015	\$ 50,000	\$ (44,985)	10.0%
Crisis Management	-	-	-	0.0%
Total Good Practices	<u>\$ 5,015</u>	<u>\$ 50,000</u>	<u>\$ (44,985)</u>	<u>10.0%</u>
Blueberry Technology				
Technology Programs	\$ 93,750	\$ 125,000	\$ (31,250)	75.0%
Blueberry Technology Unallocated	-	-	-	0.0%
Total Blueberry Technology	<u>\$ 93,750</u>	<u>\$ 125,000</u>	<u>\$ (31,250)</u>	<u>75.0%</u>
Total Program Expenses	<u>\$ 3,072,662</u>	<u>\$ 8,348,431</u>	<u>\$ (5,275,769)</u>	<u>36.8%</u>



U.S. Highbush Blueberry Council

JANUARY - JUNE 2024 STATEMENT OF ACTIVITIES  
ACTUAL VS. BUDGET AND % OF ANNUAL BUDGET REALIZED

	January - June 2024	2024 Budget	Variance (Under)/Over	% of Budget
<b>USHBC Program Fees</b>				
USDA AMS Administration Fee	\$ 154,789	\$ 222,000	\$ (67,211)	69.7%
US Office General Counsel Fee	-	1,000	(1,000)	0.0%
NABC Resources & Service Fee	60,000	120,000	(60,000)	50.0%
<b>Total USHBC Program Fees</b>	<b>\$ 214,789</b>	<b>\$ 343,000</b>	<b>\$ (128,211)</b>	<b>62.6%</b>
<b>General Expenses</b>				
Office Rent	\$ 85,441	\$ 165,000	\$ (79,559)	51.8%
Insurance & Taxes	9,911	12,000	(2,090)	82.6%
Subscriptions	77,008	126,000	(48,992)	61.1%
Printing	6,400	20,000	(13,600)	32.0%
Office Expenses & Supplies	46,375	58,000	(11,625)	80.0%
Phone & Fax	9,095	12,000	(2,905)	75.8%
Computer IT Services	23,442	60,000	(36,558)	39.1%
Equipment Repairs & Maintenance	-	5,000	(5,000)	0.0%
Equipment Rental	1,845	7,000	(5,155)	26.4%
Postage & Shipping	9,786	20,000	(10,214)	48.9%
Offsite Document Storage	1,400	2,500	(1,100)	56.0%
Bank Charges	1,994	15,000	(13,006)	13.3%
Officers Liability Insurance	3,460	-	3,460	0.0%
Unallocated General Expenses	-	-	-	0.0%
<b>Total General Expenses</b>	<b>\$ 276,158</b>	<b>\$ 502,500</b>	<b>\$ (226,342)</b>	<b>55.0%</b>
<b>Operating Expenses</b>				
Salaries, Payroll Taxes & Insurances	\$ 950,602	\$ 2,600,000	\$ (1,649,398)	36.6%
Workers Compensation	3,054	6,000	(2,946)	50.9%
Recruitment Services	27,422	83,000	(55,578)	33.0%
Admin Support Services	133,243	200,000	(66,757)	66.6%
Bookkeeping Service	21,600	43,200	(21,600)	50.0%
Professional Development	29,202	100,000	(70,798)	29.2%
Retirement Program Administration	3,443	3,000	443	114.8%
Audit Fees	29,500	30,000	(500)	98.3%
Legal Counsel Fees	36,733	35,000	1,733	105.0%
Depreciation	212	1,000	(788)	21.2%
Unallocated Operating Expenses	-	-	-	0.0%
<b>Total Operating Expenses</b>	<b>\$ 1,235,010</b>	<b>\$ 3,101,200</b>	<b>\$ (1,866,190)</b>	<b>39.8%</b>
<b>Travel &amp; Meeting Expenses</b>				
Travel Expenses	\$ 242,668	\$ 625,000	\$ (382,332)	38.8%
Meeting Expenses	199,945	563,500	(363,555)	35.5%
Unallocated Travel & Meetings	-	-	-	0.0%
<b>Total Travel &amp; Meeting Expenses</b>	<b>\$ 442,613</b>	<b>\$ 1,188,500</b>	<b>\$ (745,887)</b>	<b>37.2%</b>
<b>Total Other Expenses</b>	<b>\$ 2,168,570</b>	<b>\$ 5,135,200</b>	<b>\$ (2,966,630)</b>	<b>42.2%</b>

## AGENDA ITEM #3

### Chair Report

An oral report will be given by

Shelly Hartmann

## AGENDA ITEM #4

### President's Report

An oral report will be given by

Kasey Cronquist

## MEMORANDUM

**DATE:** September 19, 2024

**TO:** USHBC Council Members

**SUBJECT:** Updated USHBC Documents

In 2022, USDA Agricultural Marketing Service (AMS) conducted a routine three-year management review of USHBC. During this process, AMS provided several recommendations related to USHBC's policies, procedures, and practices. While many of these recommendations have been implemented, discussions on a few related topics have continued into 2024.

For the last several months, USHBC staff and consultants have worked to address the remaining items, which include:

1. Reviewing and updating the Accounting and Internal Controls Policies and Procedures manual.
2. Revising the USHBC Bylaws and moving the Addendums to a new Policies and Procedures section.
3. Updating the Management Services Agreement between USHBC and NABC.

Below is a summary of the current status for each issue:

### **1. Accounting Internal Controls Policies and Procedures**

The document has undergone a comprehensive overhaul, with multiple rounds of edits between USHBC staff and USDA. The final draft has been reviewed by USDA, and is now ready for Council review and approval. A motion will be needed to approve the updated Accounting Internal Control Policies and Procedures and direct USHBC staff to work with USDA for final approval.

### **2. USHBC Bylaws**

The Bylaws have been updated based on USDA recommendations. In addition, the thirteen (13) addendums previously included in the Bylaws have been reviewed, updated, and with Council's approval, will be moved to a new section titled **USHBC Governance and Compliance Policies and Procedures**. This new section will also incorporate relevant existing policies and procedures. The final draft has been reviewed by USDA, and is now ready for Council review and approval. A motion will be needed to approve the updated Bylaws and direct USHBC staff to work with USDA for final approval.

### **3. Management Services Agreement**

A new management services agreement between USHBC and NABC will be effective starting in 2025. The updated agreement incorporates input from USDA, Council members from both organizations, as well as key personnel who will manage and oversee USHBC programs. Please see item 5.e in your packet.

If you have any questions or comments, please feel free to reach out. We are happy to discuss any of these topics in more detail.

Respectfully,

Kasey Cronquist

## Accounting and Internal Control Policies and Procedures

Amended and Approved by the USHBC Council: [date]  
Approved by the USHBC Finance Committee: [date]  
Approved by USDA: [date]

DRAFT

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Approved By: <ul style="list-style-type: none"> <li>• FINANCE [date]</li> <li>• USHBC [date]</li> <li>• USDA [date]</li> </ul>	Created By: [name]	Supersedes: Accounting and Internal Control Policies and Procedures [date]
<b>Related Mandates, Statutes, Standards or Executive Orders:</b> Title 7/Subtitle B/Chapter XI/ Part 1218 Blueberry Promotion, Research and Information  <a href="#">Blueberry Order/Assessments</a> <a href="#">Blueberry Order/Exemptions</a>		

REVISION POLICY: The Council approves all revisions to this U.S. Highbush Blueberry Council (USHBC) policy in line with 9.00 COMPLIANCE AND CHANGES TO POLICIES and PROCEDURES. The Director of Operations (DO) maintains the master copy of USHBC policies and procedures.

## 1.00 DISBURSEMENTS

### PURPOSE:

- To ensure that disbursements (checks, ACH and wire transfer) are for valid USHBC expenses or legitimate transfers to and from bank and investment accounts.
- To ensure that disbursements are accurately recorded in the General Ledger (GL).
- To ensure that all disbursements are recorded.

### POLICY:

- Invoices require respective program manager approvals before being submitted to the finance department for processing.
- Disbursements require appropriate approvals from the following as noted in section 1.01:
  - o Director of Finance (DF)
  - o President
  - o Treasurer or Chairperson
- The person who initiates disbursements shall not be able to release them and vice versa.
- Any changes to users' permissions/privileges on the bank website and investment accounts shall be approved by the two following authorized persons:
  - o President
  - o DF
- Procedures should allow timely detection of inaccurate posting of disbursements.

- Procedures should allow timely detection of incomplete disbursements recording.

SCOPE: All disbursements, including checks, ACH/WIRE TRANSFER and AUTOMATIC DEBIT.

## 1.01 DISBURSEMENT RUN

### RESPONSIBILITIES:

- Bookkeeper – Receives approved invoices and support from the Accounts Payable (AP) system prior to issuing checks, pays in the current cycle; prints checks adding the President's preprinted signature, and posts. The Bookkeeper sends ACH/Wire confirmations to the USHBC finance team for attachment to approved invoice per USHBC's Document and Email Retention Policy, mails the checks and files hard copies. ACH/Direct deposit payments are processed directly through Quickbooks.
- The DF or designee reviews all checks with the President's preprinted signature to confirm accuracy as needed.
- President - Preprinted signature is added on all checks regardless of amount.
- Treasurer or Chairperson - If a live signature is needed and the President is not available to sign checks or invoices, these individuals are also authorized to sign disbursements and approve invoices.

### PROCEDURE:

- Disbursements are generally processed once per week.
- Disbursements up to \$24,999 require **one** signature from any person from the above list.
- Disbursements in the amount of \$25,000 and above require three approvers on the invoice, and payment is made via wire transfer, ACH or check.
- The DF generates a report of approved invoices based on certain criteria (e.g. invoice due date).
- The DF reviews the report and verifies invoice amounts matched to invoice copies. Only invoices previously reviewed and approved by the purchaser or respective program manager and/or President will be processed.
- The Bookkeeper also verifies invoice amounts and prints the checks, including the President's preprinted signature. The Bookkeeper attaches the check stub to the corresponding invoice. Once DF or designee reviews printed checks and invoices, they are mailed out from the Bookkeeper's office.
- To help detect potential alterations made to checks after processing, an unscheduled audit of a sampling of a check batch, the DF or designee reviews the report and verifies its accuracy, which includes payee, amount, and check number.
- Original checks are mailed out from the Bookkeeper's office after each check/invoice package is processed.
- Check/invoices packages are scanned and saved on the server by vendor. The files are accessible by the Bookkeeper. The Bookkeeper files the check/invoice packages by vendor.
- The Bookkeeper prepares bank and investment reconciliations prior to financial month-end close, usually by the fifth workday of the following month. The Bookkeeper downloads the bank statement from the bank each month, date stamps

the bank statements and forwards it to the DF.

- Bookkeeper reviews all bank reconciliations and bank statements, investment account reconciliations and investment statements, and emails them to DF and President. DF sends to the Finance Chair/Treasurer by the 20th of the month. For all disbursement related to assessments, confidential information and producer, handler, importer, and exporter companies will be redacted to prevent disclosure to the USHBC officers. The Treasurer is required to sign and date the reconciliations as evidence that the review has been performed.

## **1.02 WIRE TRANSFER TRANSACTIONS**

### **RESPONSIBILITIES:**

- President – Approves all WIRE TRANSFER transactions, regardless of amount, prior to transmission.
- Bookkeeper – Runs a report listing all approved invoices requiring WIRE TRANSFER payments, verifies approvals and supporting documentation are in order and prepares WIRE TRANSFER application to the bank for DF and President to review and approve.
- DF – Reviews WIRE TRANSFER payments after obtaining President’s approval and sends them to the bank for wire transfer.

### **PROCEDURE:**

- WIRE TRANSFER payments are generally processed once a week and are used for payment to international organizations. The DF submits a request for new WIRE TRANSFER. The President must approve any changes to WIRE TRANSFER vendor approved template list.
- The DF generates a report within the financial system based on certain criteria (e.g., invoice due date).
- The DF reviews the report and verifies invoice amounts. Only invoices previously reviewed and approved by the program managers or the President are entered into the financial system.
- The Bookkeeper creates the WIRE TRANSFER Payment Form, which serves as a substitute check, and names the WIRE TRANSFER payment form in the following format “vendor date wire date” and to record the date paid and the vendor paid, and attaches to the corresponding invoice. WIRE TRANSFER payment forms are reviewed and approved by the President as evidenced by signature and date on WIRE TRANSFER forms. All invoices of \$25,000 and over require three signatures from any three people on the following list:
  - Director of Finance (DF)
  - President
  - Treasurer or
  - Chairperson
- Once all WIRE TRANSFER payment forms have been signed, the DF sends the WIRE TRANSFER application to the bank representative via email for transmission to the wire department.
- The Bookkeeper or their designee files paper scanned payment packages by vendor.

## 2.00 ASSESSMENT COLLECTION AND CASH RECEIPT

### PURPOSE:

- To ensure cash receipts are recorded in the correct period.
- To ensure cash receipts recorded equal the amount deposited.
- To ensure that coding and application of cash receipts is correct.
- To ensure that all cash received is deposited to USHBC's bank account and minimize potential acts of fraud.
- To ensure that duplicate postings of cash receipts are not made to the general ledger.

### POLICY:

- USHBC shall segregate the receiving and recording duties of miscellaneous cash receipts when practicable.
- USHBC shall deposit cash receipts as soon as practically possible.
- USHBC shall enforce penalties and interest for late assessment payments based on USHBC Assessment Policy
- To write off late fees, interest, or assessments due, USHBC must submit a written request to AMS.

SCOPE: All cash receipts.

## 2.01 ASSESSMENT COLLECTION AND MISCELLANEOUS CASH RECEIPT

### RESPONSIBILITIES:

- DF or their designee: Opens and logs cash receipts for checks that are received at USHBC office.
- Bookkeeper - Reviews daily cash receipt transactions for lockbox deposits and incoming wire transfers; records cash receipts in the financial system and sends reports to DF.

### PROCEDURE:

Grower and/or Handler Assessment Collection:

- The DF or their designee sends blank assessment reports to the growers/handlers on record twice per year.
- The assessment forms include USHBC's lockbox information designating where growers/handlers should send the reports and payments. ***USHBC established a lockbox to minimize the number of checks mailed to USHBC's office. This procedure mitigates the risk of deposits being lost or misappropriated by having them sent directly to USHBC's bank account.***

For assessments received through lockbox or wire transfer:

- The Bookkeeper checks the bank lockbox and notifies DF of receipts via scan

and email.

- Growers and handlers are advised to remit all payments to the lockbox. On occasion, assessments are received at USHBC's office and are handled as follows:
  - The DF or their designee opens all incoming mail, including assessment checks.
  - The DF or their designee logs any checks received on Daily Cash Receipt Log (DCRL), scans the checks and saves with DCRL.
  - The DF or their designee delivers the assessment deposits received at USHBC's office to the Bookkeeper for deposit to the bank.
- The Finance team checks the assessment calculations on the reports and enters them into USHBC's assessment system.
- The Bookkeeper enters assessment batches in the Financial System Accounts Receivable (AR) module.
- The Bookkeeper and DF review the total cash receipts during the monthly bank reconciliation.

For Domestic Refund Requests:

- DF reviews domestic assessment refund requests and organic exempted claims, enters the information in the assessment system, prepares check requests for approval by the President and after approval sends them to the Bookkeeper for processing. Confidential information of producer and handler companies are redacted to prevent disclosure to the USHBC officers.
- DF/Bookkeeper runs assessment system refund reports and verifies for accuracy, then processes check requests.
- The Bookkeeper prepares payments to producer and handler companies, which are then reviewed and approved by the President.
- The Treasurer receives a copy of the monthly financial reports documenting activity.
- DF notifies producer and handler members of payments and provides each with reports supporting the payments.

## **2.02 IMPORT ASSESSMENT COLLECTION:**

- DF receives a monthly report from U.S. Department of Agriculture's Agricultural Marketing Service (USDA AMS) with the assessment amount collected for the prior month's imports. In addition, the DF receives data electronically via U.S. Customs and Border Protection (U.S. Customs) by the 10th of each month that contains detailed assessment data by importer.
- The assessment funds are sent via wire transfer to USHBC's bank account.
- DF sends the monthly report to the Bookkeeper.
- The Bookkeeper compares the bank deposit with the USDA AMS reports and DF /DO compares data on the U.S. Customs report to verify that deposit amounts match the reported imports.
- The Finance team enters the import information in the assessment system and the Bookkeeper records in the financial system.
- DF reviews assessment refund requests and organic exempted import claims,

enters the information in the assessment system, prepares check requests for approval by the President and after approval sends them to the Bookkeeper for processing. Confidential information and producer, handler, importer, and exporter companies will be redacted to prevent disclosure to the USHBC officers.

- DF/Bookkeeper runs assessment system refund reports and verifies for accuracy, then processes check requests.
- The Bookkeeper prepares ACH/WIRE TRANSFER payments to importer members, which are then reviewed and approved by the President.
- The Treasurer receives a copy of the monthly financial reports documenting activity.
- DF notifies importer members of ACH/WIRE TRANSFER payments and provides each importer member with reports supporting the payments.

### **2.03 MISCELLANEOUS (NON-ASSESSMENT) CASH RECEIPT:**

For deposits received at USHBC's office:

- DF or their designee opens all mail, including non-assessment cash receipts.
- DF or their designee logs the checks received on Daily Cash Receipt Log (DCRL). DF compares the DCRL with the deposits report from the bank to make sure all checks received at USHBC's office are deposited within four business days.

For deposits received through the lockbox or wire transfer deposits:

- The Bookkeeper checks the lockbox at the bank for checks and wire transfer deposits and sends the report to DF with any supporting documents.
- The Bookkeeper reviews the total cash receipts during bank reconciliation. The Bookkeeper prepares bank reconciliation prior to the financial month-end close, usually by the fifth business day of the following month, and forwards to the DF /President for review and approval.
- After month-end close, the Finance team saves the supporting documents for the deposits for the month to USHBC's server for retention according to USHBC's document and email retention policy.

### **2.04 LATE ASSESSMENT PAYMENT**

RESPONSIBILITIES:

- DF - Identifies and sends notices to late handlers and growers.

PROCEDURE:

- Due to the self-reporting nature of USHBC assessments, there is a possibility that USHBC does not immediately discover late assessment payments. The late penalty and monthly interest are assessed if payments are received late.
- Each month, DF reviews USHBC assessment summary, researches any discrepancies and identifies late assessment payments before input into the financial system.

- If late assessment requires a penalty to be assessed, the DF will calculate the penalty and interest, and include the calculations according to USHBC's Assessment Policy in mail or email with an invoice requesting additional payment.

#### COMPLIANCE:

USHBC is responsible for promptly identifying delinquencies in assessments. The Council will make every attempt possible to bring delinquencies into compliance before referring a case to USDA/AMS. The Council will notify USDA/AMS of any delinquency after all efforts have been exhausted by the Council. Before submission to USDA/AMS, the Council will conduct or coordinate an audit of the alleged delinquent party.

Prior to filing a compliance concern with USDA, USHBC will:

- Send assessment collection letters as the growing seasons end domestically.
- Mail final USHBC assessment letters on Oct. 5 (annually).
- Send notification of late assessment on Jan. 1 (annually).
- Send a 30-day late collection notice on Feb. 1 (annually).
- Send a 60-day late collection notice on March 1 (annually).
- Send a 90-day late collection notice on April 1 (annually).
- Notify USDA/AMS of all non-respondents to collection notices on April 1. Notification will include all letters sent to the grower/handler of evidence to collect.
- Once a case has been turned over to the USDA/AMS, the USDA/AMS will begin its three-step collection process.

Upon receipt of compliance cases (including audit results), USDA/AMS may:

- Request the Council hire an outside auditor to audit the entity in question
- Contact the delinquent party either by telephone, letter with delivery confirmation (e.g., FedEx or certified mail) or by other means.
- Advise that collection will be made by administrative offset, if applicable.
- Refer violations to the Office of General Counsel for action.
- Take other actions as appropriate.

### **3.00 CASH & INVESTMENTS**

#### PURPOSE:

- To ensure cash receipts and disbursements are recorded accurately and in the right periods.
- To comply with all relevant investment policies and ensure safe and sound investments.
- To ensure that all cash received is deposited to USHBC's bank account and not misappropriated.

#### RESPONSIBILITIES:

- Bookkeeper - Downloads bank statements from the bank, performs reconciliation and sends reports to DF and President.
- DF - Reviews statements and reconciliation report, redacts as appropriate and sends

- for distribution to the Treasurer and/or Finance Committee.
- President - Reviews statements and reconciliation report with DF

**POLICY:**

- USHBC shall perform bank reconciliations for all cash and investment accounts in a timely manner.
- USHBC shall segregate the duties between receipt of bank statement/reconciliation and reviewer of bank statement/reconciliation.
- USHBC shall perform periodic review of USHBC investments.

SCOPE: All Cash Accounts

### **3.01 INVESTMENT POLICIES**

**RESPONSIBILITIES:**

- Bookkeeper - Performs investment policy compliance reviews.

**PROCEDURE:**

- USHBC strictly adheres to USDA investment policies located in the Guidelines for AMS Oversight of Commodity Research and Promotion Programs.
- The Finance Committee, President and DF review the USDA's investment policies at least once a year, usually before fiscal year-end, to ensure USHBC is in compliance with the USDA's investment policies. Each quarter, the Bookkeeper will send the investment account statements to the USDA for review to ensure compliance with USDA policies.

### **3.02 BANK RECONCILIATION**

**RESPONSIBILITIES:**

- Bookkeeper - Performs bank reconciliations for all cash accounts.
- DF - Review bank reconciliations with the Bookkeeper.
- President - Reviews bank reconciliations.
- Treasurer - Reviews bank reconciliations.

**PROCEDURE:**

- After month-end and once the bank statement has been downloaded from the bank and stamped with date of receipt, the statement is forwarded to DF for review.
- Investment statements are downloaded from the bank by the fifth business day of the month for the prior month-end period.
- The Bookkeeper prepares bank and investment reconciliations prior to financial month-end close, soon after statements have been downloaded. DF and the President review and approve all bank reconciliations, bank statements, investment account reconciliations, and investment statements. The Treasurer will review the preceding periods' bank reconciliations, bank statements, investment account reconciliations, and investment statements. Confidential information will be redacted

to prevent disclosure to the Treasurer.

- The Treasurer will also sign and date the bank statements as evidence that they have performed the review.
- The Bookkeeper identifies outstanding checks that are 5-6 months old and submits them to DF for investigation. If a check is determined to be lost in the mail, a stop payment is placed on the check and the check is voided via a voided check form, which is reviewed and approved by the President. The bank is notified of the stop payment via email.
- The DF keeps the approved bank and investment reconciliations on file for audit purposes.

## **4.00 PURCHASING**

### **PURPOSE:**

- To ensure that purchases are for legitimate USHBC business needs.
- To ensure that USHBC funds are spent in the most cost-effective and efficient manner.
- To ensure that purchases are coded and recorded correctly.
- To ensure that purchases are preapproved as necessary.

## **4.01 CONTRACTING AND PURCHASING PROCEDURE POLICY**

### **POLICY:**

- All purchases must be made based on the USHBC annual budget which is approved by USDA/AMS.
- A purchase order (PO) must be created for all appropriate purchases of \$2,000 and over, including those purchases with contracts and agreements.
- The Council requires a contract or agreement for purchases of \$5,000 or more.
- Contracts and agreements will comply with the Commodity Promotion, Research, and Information Act of 1996 (Act), Blueberry Promotion, Research, and Information Order (Order), and USDA Guidelines for AMS Oversight of Commodity Research and Promotion Programs, Section IV; Contracts.
- All authorized contracted staff and authorized officers must avoid any conflict of interest or any situation that could reasonably be perceived by a third party as a conflict of interest when choosing a contractor.

### **EXCEPTIONS:**

Due to practicality, certain purchases are exempt from the competitive bidding requirements due to factors such as contractor has unique knowledge of activities; unique contractor for a specific purpose; project spokesperson; partnership or sponsorship agreement; or other reasons such as experience and expertise/limited pool of vendors/nature of service or goods.

Due to unpredictability and small dollar amounts of certain expenses such as utility, delivery services, information technology support and bank fees, etc., a purchase order is not required; however, the invoices/statements/bills for these expenses are thoroughly reviewed and approved by the DF and the President.

Due to resource limitation and length of time involved in entering annual contracts, purchases from certain specialized service providers and agencies such as consumer advertising, public relations, on-line marketing, foodservice, merchandising, auditing and accounting, insurance brokerage, attorneys and information technology are recommended to obtain bids on a 3-5-year cycle, if management deems necessary.

USHBC uses the expertise of trusted and qualified insurance brokers to get competitive bids on all insurance policies.

#### Nondisclosure Agreements (NDA)

USHBC contracted staff may be required to enter into a nondisclosure agreement to conduct USHBC business. The President must be notified and approve of any nondisclosure agreement in advance of execution.

## **4.02 PURCHASE ORDERS (PO)**

### RESPONSIBILITIES:

- Program Managers - Requests PO.
- DF - Reviews and approves PO.
- President - Reviews and approves PO.

### PROCEDURE:

- Purchase orders are to be completed by the requester for any purchase exceeding \$2,000. Purchase orders are assigned a sequential and unique PO number, and approved by the President and DF.
- To initiate a purchase order, the purchaser or program manager will request a PO from Accounts Payable (AP) system.
- If the purchase is for a U.S.-based new vendor, DF or requester must obtain the Internal Revenue Service Form W-9 (Request for Taxpayer Identification), verifying vendor identity and Tax Identification Number.
- Check requests/invoices may not be entered into A/P until the vendor has been set up and vendor number has been assigned.
- All purchase orders are routed to the DF who reviews them for accuracy and then forwards them to the President for approval.
- The DF or their designee notifies the requester that the PO is approved.
- Once approved, a copy of the PO is then sent to the vendor by the requester.
- The original PO is stored in the A/P system along with other supporting documents per USHBC's Document and Email Retention Policy.

## **4.03 SIGNATURE REQUIREMENTS**

Only the President, the Chairperson, Vice Chairperson, and the DF ("Authorized Officers") are authorized to sign agreements and contracts on behalf of the Council.

#### **4.04 CONTRACT REVIEW**

For all promotional, research and information agreements/contracts, the appropriate program manager:

- Must review and approve the business terms of the agreement/contract.
- Must review and approve invoices for expenditures related to their respective departments.

#### **4.05 CONTRACT REVIEW REQUIREMENT EXCEPTIONS**

The Council is not required by USDA, AMS to submit for approval pure service contracts, such as those for janitorial services, copier repairs, hotel arrangements, maintenance, subscription services and other related services.

#### **4.06 RETENTION OF SIGNED CONTRACTS AND PURCHASE ORDERS**

All signed agreements and contracts must be saved by the DF or their designee to the USHBC server for retention immediately after the agreement is signed by both parties, per USHBC's Document and Email Retention Policy. USHBC will send AMS final, signed copies of contracts.

#### **4.07 COMPETITIVE BIDDING PROCESS**

##### **RESPONSIBILITIES:**

- Requester - For purchases of \$25,000 and above, a minimum of three bids will be required, unless the purchase qualifies for an exemption from bidding outlined in Section 4 of this document.
- DF - Reviews and approves PO's as a secondary approver.
- President - Has authority to be the primary approver on all POs.

##### **PROCEDURE:**

Requesters select from submitted bids based on appropriate criteria including, but not limited to, the following:

- Quality
- Cost
- Skills
- Timeliness
- References
- Experience with vendor

Requesters will complete the checklist at the bottom of the PO to justify contract/agreement and attach documentation to explain why a contract was awarded to a contractor. The checklist shall include:

- Whether the contract was competitively bid.
- The attached bid, if required.

- Reason the lowest bid is not awarded or whether the contract was awarded on a noncompetitive basis.

#### **4.08 CHANGES TO EXISTING PURCHASE ORDER**

##### **RESPONSIBILITIES:**

Program manager requesting the purchase - Will create a revised PO for review and approval of the President and DF.

##### **PROCEDURE:**

- PO changes may only be made with the proper approval as evidenced by approver signature and date on PO.
- The DF validates changes to PO and appends the PO number with the following letter (e.g., PO2017-0001 A, B, C ....).
- Revised POs must be approved by the President and DF.
- DF or their designee scans all approved POs onto the appropriate USHBC finance drive per USHBC's Document and Email Retention policy.

#### **4.09 CREDITS FOR CANCELED TRAVEL, EVENTS, RETURNS, CANCELED SERVICES AND RETURNED PURCHASES**

##### **RESPONSIBILITIES:**

- Purchaser or their designee will notify the DF of the credit due to USHBC when they have received notice of a credit for canceled travel, events, services, returns or other purchases.
- The DF will record the credit due and work with the purchaser to use the credit for future USHBC projects or, if appropriate, seek a refund.

#### **5.00 ACCOUNTS PAYABLE (AP) INVOICE PAYMENT PROCESSING**

##### **PURPOSE:**

- Ensure that vendor invoices reflect the correct prices and quantities.
- Confirm delivery of goods/services prior to processing vendors' invoices.
- Ensure that expenditures are for legitimate USHBC business.
- Safeguard USHBC's assets.

##### **POLICY:**

- Duties of receiving and approving payments of goods purchased must be segregated when possible.
- When applicable, invoices are matched to a PO and packing list.
- Invoices are reviewed and approved by appropriate program managers, DF and the President prior to payment.

**SCOPE:** All invoices, check requests and expense reports.

## **5.01 RECEIVING**

### **RESPONSIBILITIES:**

- Program Manager or their designee - Matches goods to packing list.

### **PROCEDURE:**

- The person that receives the goods must be independent of the requester, when possible, except for office supplies ordered and received by the Director of Operations ( DO) or their designee.
- When goods are purchased and a delivery is made, the DF or their designee checks in the goods by verifying the goods received against the packing slip. The DF or their designee contacts the vendor if packing slip does not match the goods received, and resolves the issue with the vendor by either acquiring a revised packing list in case packing list is understated, or by having the vendor send additional items where the packing list is overstated.

## **5.02 INVOICE, PURCHASE ORDER AND PACKING LIST MATCHING**

### **RESPONSIBILITIES:**

- DF or their designee – Matches invoice to PO and packing list.
- Program managers – Review and approve invoices before submitting to the finance department for processing.
- USHBC President – Reviews and approves invoices before payments are processed.

### **PROCEDURE:**

- The DF or their designee opens the mail, date-stamps the invoices and directs them to the respective program manager or purchaser.
- Invoices are also received electronically by the contracted staff and management.
- The DF or their designee matches the invoices to PO and packing list if applicable.
- The DF or their designee emails PO requester if invoice and PO do not match, and contacts vendor if packing list and invoice do not match.
- If an error was made on the PO, originator will request a PO revision; if originator wishes to dispute, purchaser will email vendor for resolution. If an error was made on vendor's invoice, a corrected invoice will be requested from the vendor.
- Depending on dispute outcome, invoice will either be short paid or the DF or their designee will go back to requester until resolved.
- Correspondence is systematically attached to the invoice.
- The program manager or purchaser approves the original invoice with their initials electronically and includes the respective contract number or PO number and general ledger codes in the space provided (when applicable).
- The invoice is then forwarded to the appropriate individuals for approval. At this point, signature (electronic signature is acceptable) is required with general ledger account to be charged and amount to be paid.
- The approved invoice is returned to the DF who files the invoice in the A/P file until checks are processed.

### **5.03 CHECK REQUEST**

#### **RESPONSIBILITIES:**

- DF - Ensures check requests are approved and accurate.
- USHBC President - Reviews and approves check requests before payments are processed.
- Treasurer or Chairperson - Approves check requests initiated by the President.
- Bookkeeper - Prints approved checks.

#### **PROCEDURE:**

- On occasion, a check request is needed when there is no invoice from outside vendors, for example: restaurant catering, advance on future services or delivery of goods, and office lease payments.
- The check request form is filled out by the requester. The check request form is available from the DF or their designee.
- Once approved, the check request is submitted to the DF or their designee for input and then sent to the bookkeeper for printing.

### **5.04 EXPENSE REPORT PROCESSING**

#### **RESPONSIBILITIES:**

- DF or their designee - Reconciles expense reports to the attached receipts and ensures expenses are within the USHBC Travel, Entertainment and Related Expenses policy.

#### **PROCEDURE:**

- The DF or their designee reconciles expense reports to attached receipts and ensures expenses are within the USHBC Travel, Entertainment Policy.
- The DF ensures the appropriate level of authority has signed the report.
- The DF or their designee checks for arithmetical errors on expense reports and corrects them before payment.
- The DF sends appropriately approved expense reports to the Bookkeeper for payment.

### **6.00 BUDGET**

#### **PURPOSE:**

- Ensure that USHBC's resources are used to further USHBC's mission, vision and goals.
- Ensure that USHBC expenses are authorized and correctly coded.

#### **POLICY:**

- USHBC revenue projection and expenditure budget must be approved by the Council and USDA before the respective fiscal year affected by the budget starts.
- Changes/transfers within the departmental budget line items do not require the

Council's pre-approval. However, management is required to inform the Finance Committee about the changes/transfers.

- Major increases or decreases in a department's budget must first be approved by the Finance Committee and presented for approval to the Council. Council's approval of a USHBC action that requires a budget increase represents the Council's approval of budget amendment necessary to carry out the action.
- Management will present the financial statements to the Finance Committee and the Council at every council meeting or at the discretion of the Chairperson.

SCOPE: All revenue projections and expenditure budgets.

## **6.01 BUDGET PREPARATION**

### **RESPONSIBILITIES:**

- President - Under the direction of the Council, is responsible for the overall budget strategy and works with the Finance Committee, DF, and program managers to project revenue and expenses.
- Director of Business Intelligence and DF determine revenue projections based on information gathered from North American Blueberry Council's area grower and importer representatives who review past and current blueberry production numbers.
- Income projections are then weighed against historical collection averages to determine the annual revenue projection.
- The DF - Coordinates organization wide expenditure budgeting and works with the President to create budgets.

### **PROCEDURE:**

- The President and the DF work in conjunction to prepare the annual administrative and program budgets.
- The President, under the Council's direction, is responsible for determining the overall strategy for all expenditures in conjunction with the various program managers.
- Working with the production forecasts from the regional representatives, the President and the DF work with the Finance Committee to finalize an estimate on assessment revenues.

## **6.02 BUDGET UPDATE AND CHANGE DURING THE YEAR**

### **RESPONSIBILITIES:**

- The President and DF prepare revised budgets and budget amendments.

### **PROCEDURE:**

- Any major change to the departmental budgets must be submitted for the Council's approval through a budget amendment.
- The President determines if nonmajor changes and intra-departmental changes/transfers above need to be included as part of a budget amendment.
- Each year, when the prior year's ending reserves are finalized, the President will

present an update on any excess or shortfall in projected revenues, with the purpose of asking the Council to approve an increase or decrease in funds available for programs or administration.

- During the course of each year, any significant material changes in budgeted revenue or expenditures will be brought to the Councils attention at the President's discretion.

### **6.03 BUDGET SUBMISSION TO THE COUNCIL AND REGULATORY AGENCIES**

#### **RESPONSIBILITIES:**

- President and DF - Prepare and submit budgets and budget amendments first to the Finance Committee, which then presents it to the Council and regulatory agencies.

#### **PROCEDURE:**

- The draft budget and marketing plan are presented to the Council two to three months prior to the start of USHBC's new fiscal year.
- The Finance Committee and the Council's review the draft budget and business plan, and provide comments, recommendations and input to the President.
- The Council approves the final budget prior to the start of USHBC's new fiscal year.
- The DF submits the Council-approved marketing plan, budget and budget amendments to the USDA for review and approval.

### **6.04 BUDGET MONITORING**

#### **RESPONSIBILITIES:**

- Program managers, President and DF - Ensure that all expenditures are within the budget. President and DF ensure that all administrative expenditures do not exceed 15% of the projected budget expenditures for that fiscal period.

#### **PROCEDURE:**

- Program managers and the President are responsible for ensuring that actual expenses are spent within the Council-approved budget.
- When the annual budget is submitted to the Council for approval, DF reviews and ensures that administrative costs do not exceed 15% of the projected level of assessments and other income received by the Council for that year.
- The Council-approved budget must govern how all expenses are committed or spent (with or without contracts and purchase orders).
- Monthly, the DF distributes the income statements with budget comparison to the President. The President reviews the income statements and works with the DF to investigate any variances.
- The program managers use a Financial Planning & Analysis (FP&A) tool to track and monitor actuals versus budget at project level, which they update regularly and as invoices are received.

## **7.00 FINANCIAL REPORTING and PERIOD-END CLOSE**

### **POLICY:**

- Management is responsible for timely and efficient accounting period close.
- Management is responsible for adequate and accurate documentation of USHBC accounting closing procedures.
- Management is responsible for the accurate and timely preparation and compilation of periodic financial reports.
- Financial reports must be periodically presented and reviewed by the Council or its designated committee(s).

### **PURPOSE:**

- Ensure that USHBC's financial position and results of operation are periodically reviewed.
- Ensure early detection of potential fraud and errors.
- Ensure smooth continuation of USHBC's accounting operation.
- Ensure that no material errors or omissions exist in the compilation of financial reports.
- Ensure that classifications and amounts are correct.
- Ensure that USHBC's assets, liabilities, revenues and expenses are recorded and presented in the correct period on the financial reports.

**SCOPE:** Financial reports; month-end and year-end close for Accounts Receivable (AR), Accounts Payable (AP) and General Ledger (GL).

## **7.01 MONTH-END CLOSE**

### **PROCEDURE:**

- The Bookkeeper develops and maintains a Month-End Close Checklist. The checklist is used to ensure all steps in closing the month are completed before the general ledger is closed.
- The Bookkeeper shares the final balance sheet, income statement, AR, AP and Marketing vs Admin Expense report for the period and files in the USHBC Finance folder. The President reviews the financial statements and has DF explain/investigate any variances.
- DF emails the monthly financial statements to the Treasurer for review.
- The Finance Committee meets quarterly to review and approve financial statements for recommendation to the Council.

## **7.02 YEAR-END CLOSE**

### **PROCEDURE:**

- It is USHBC's policy to require all vendors, council members and contracted staff to submit invoices and expense reports for all expenses incurred in the year, at the latest, one month after the year ends.
- The Bookkeeper and DF compile all invoices (including expense reports) that need to be accrued. Once the approval signature is obtained, these invoices are then

entered into the financial system in the period/year expenses were incurred.

- For the accrual without invoices, the DF searches for open POs after the year-end and contacts the program managers and advertising agencies for any unreceived invoices. The DF and the President discuss and prepare estimates for expenses incurred but not yet invoiced. The Bookkeeper and DF accrue all of these estimates using journal entries.

The Bookkeeper and DF also perform the following steps:

- Reverse any prepayments.
- Investigate old outstanding receivables and accruals.
- Reconcile assessment revenues between USHBC and the financial system.

## 7.03 FINANCIAL REPORTING

### RESPONSIBILITIES:

- The DF - Reviews all transactions.
- The program managers and the President - Review all invoices and work with the DF to assign correct charge codes.
- The President - Reviews financial statements.
- Treasurer receives and reviews financial reports prior to Finance Committee and council meetings.

### PROCEDURE:

- Bookkeeper shares the balance sheet and the income statement for the month. The Finance Committee reviews the reports and asks the DF for clarification on any questions or variances.
- At every Finance Committee meeting, the DF presents the balance sheet, income statement and marketing vs. admin report to the committee. The committee reviews and discusses the reports with management.
- USHBC will submit financial statements to USDA AMS for each monthly accounting period for proper accountability of funds collected and expended. The financial statements will consist of (1) a balance sheet, and (2) a statement of revenues and expenditures (budget vs. actual) during the reporting period.

By the end of each month, staff will submit to the Treasurer the following information from the prior month (with appropriate personal identifiable information redacted):

1. Check register
2. Bank reconciliation
3. Credit card statement

In months when council meetings occur and during audits and management reviews, all financial reports may be delayed by up to a week or two.

### Delivery:

- The information will be submitted via AdobeSign to the Treasurer.
- Council member and contracted staff expense reports will be posted in Concur.

Process and Workflow:

- DF will provide a redacted check register and redacted bank reconciliation to the President for review.
- The President will review the check register and bank reconciliation for approval to send to the Treasurer.
- The Treasurer will verify receipt of reports via AdobeSign.

## **8.00 ANNUAL FINANCIAL AUDIT CONFERENCE PROCEDURES**

Representatives from USDA and contracted USHBC staff (DF, DO and Director of Global Business Development) and Bookkeeper - Treasurer, and or Chairperson, are-requested to attend both the annual financial audit entrance and exit calls in order to ensure the audit is conducted in accordance with the Council-approved engagement letters and procedures for the annual fiscal audits.

## **9.00 COMPLIANCE AND CHANGES TO POLICIES and PROCEDURES**

**POLICY:**

- Management is responsible for monitoring and enforcing compliance to all finance and accounting policies and procedures.
- Management is responsible for establishing a systematic mechanism to revise and update irrelevant policies and procedures, and communicate the revisions to the Council. Revisions to policies and procedures require Council's approval; revisions to procedures require the President's approval.

**PURPOSE:**

- Ensure that all finance and accounting policies and procedures are enforced.
- Ensure that finance and accounting policies and procedures are up to date.

**SCOPE:**

List of policies and procedures affected is as follows:

- 1.00** CASH DISBURSEMENTS
- 2.00** ASSESSMENT COLLECTION AND RECEIPT
- 3.00** CASH and INVESTMENTS
- 4.00** PURCHASING
- 5.00** ACCOUNTS PAYABLE (AP) INVOICE PROCESSING
- 6.00** BUDGET
- 7.00** FINANCIAL REPORTING and PERIOD-END CLOSE
- 8.00** ANNUAL FINANCIAL AUDIT CONFERENCE PROCEDURES
- 9.00** COMPLIANCE AND CHANGES TO POLICIES and PROCEDURES (THIS POLICY)

**RESPONSIBILITIES:**

President, DF and Treasurer: Actively monitor and enforce compliance.

**PROCEDURE:**

- Approved finance and accounting policies and procedures, and any revisions, are

posted on the organization's shared drive, which is accessible to all contracted staff. Any new policies and procedures and revisions will be announced via email by the Director of Operations (DO) or designee to all parties.

- Any violation to the finance and accounting policies and procedures will be considered an offense and may result in a disciplinary action, including termination.

## **9.01 CHANGES TO POLICIES and PROCEDURES**

### **RESPONSIBILITIES:**

- Director of Operations - Coordinates the review of the documents by any third party, collects and accumulates requested changes made to documents. Monitors changes for possible negative impact to control environment or control overrides. Prepares documents for President and USHBC's council's review. Ensures that final approved documents are posted to the shared drive.
- President - Supervises the update process and communicates updates and changes to the Council. Reviews and approves revisions to this policy.
- Treasurer reviews revisions to this policy
- Council - Approves revisions to this policy.

### **PROCEDURE:**

- The Director of Operations and Director of Finance review changes for possible impact on controls. The DO and DF will collaborate with the President and the Treasurer on changes. If the impact is too severe and there are no other controls that replace the ones that are being overridden and/or no mitigating controls exist, then the changes are returned to the requestor for further discussions.
- The DO makes changes to existing documents and assigns the revision date based upon subsequent Council and USDA/AMS approvals. The President reviews the changes and possible impact on existing controls. The changes are formalized for presentation to the Council for approval.
- The DO or their designee will post revised policies on the shared drive once they have been approved by the Council.

## **10.00 GRANTS**

### **10.01 USDA FOREIGN AGRICULTURAL SERVICE (FAS) GRANT FINANCES**

#### **RESPONSIBILITIES:**

- Vendor invoices are submitted to Export Program Manager for an initial compliance review.
- The Export Program Manager compiles a Payment Request document consisting of a cover page, invoices and necessary backup documentation. The Payment Request is sent to the DF and President for final review and approval for payment.

- Once approved by the DF and President, the Payment Request is sent to the USHBC Bookkeeper for payment.
- Once payment confirmation is received, the Export Program Manager prepares a reimbursement claim. The Export Program Manager sends the reimbursement claim to the DF and President for approval.
- Once the reimbursement claim is approved by the DF and President, the Export Program Manager submits the reimbursement claim to USDA/FAS.

## **10.02 GRANT RECORD RETENTION AND ORGANIZATION**

### **PROCEDURE:**

- Original invoices and back documentation for all grant related expenditures will be stored at the USHBC server.

## **11.00 USHBC CREDIT CARD PROCEDURE**

### **POLICY:**

- The Council will issue credit cards to the President for travel and/or to plan meetings. The card is authorized for Council expenses only and should not be used for personal expenditures.
- 
- The card should be used for charges related to Council travel and meetings, except auto mileage/fuel. Mileage should be calculated and submitted for reimbursement.
- 
- The Council credit card may be used for office needs and other appropriate expenditures. Any non-authorized expenditures become the responsibility of the staff member.

### **PROCEDURE:**

- Credit card expense reports are completed each month noting date of charge, budget number to be debited, amount and description of charge and forwarded to bookkeeper for payment.
- The DF sends credit card expense form, charge receipts and copy of credit card bill to USHBC Finance Committee Chair and Treasurer each month for review and signature.
- Note: President will notify credit card company immediately if card is lost or stolen.

**DRAFT**  
**U.S. Highbush Blueberry Council (Council)**  
**Bylaws**

*(Last Amended and Approved: April 2018)*

**ARTICLE I**  
**NAME AND AUTHORITY**

**SECTION 1.** The organization governed by these Bylaws shall be known officially as the U.S. Highbush Blueberry Council (Council). The total program administered by the Council is the Blueberry Promotion, Research, and Information Order [7 CFR 1218], hereinafter referred to as the "Order."

**ARTICLE II**  
**PURPOSE**

**SECTION 1.** The purpose of the Council, the Order, and these Bylaws shall be to implement the provisions of the Commodity Promotion, Research, and Information Act of 1996 (Act) and to carry out an effective national program of promotion, research, consumer information, and industry information for blueberries and to establish a fair and orderly procedure whereby adequate funds can be assembled to fulfill the provisions of this program. The Council is an instrumentality of the U.S. Department of Agriculture (USDA) and makes recommendations to the Secretary of Agriculture regarding this program. All fiscal matters, programs, plans, or projects, rules or regulations, reports, or other substantive actions proposed and prepared by the Council shall be submitted to the Secretary for approval before becoming effective.

**ARTICLE III**  
**PRINCIPAL PLACE OF BUSINESS**

**SECTION 1.** The Council's principal place of business shall be at its office located in Sacramento, California metropolitan area or any other location designated by the Council.

**ARTICLE IV**  
**U.S. Highbush Blueberry Council**

**SECTION 1.** The Council shall plan, develop, and implement such promotion, research, consumer information and industry information programs, plans, and projects as necessary to meet its purpose under the Act and Order. The Council shall further act in authorizing contracts or agreements for the development and carrying out of such programs, plans, and projects, and the payment of the costs thereof.

**SECTION 2.** The Council shall be comprised of no more than 21 members and their alternates, as further described and defined in the Order. The Council shall consist of: (i) One producer member and alternate from each of the following regions: Region #1 Western, Region #2 Midwest, Region #3 Northeast and

Region #4 Southern; (ii) One producer member and alternate from each of the top eight blueberry producing states; (iii) Four importers and alternates; (iv) Four exporters and alternates; and (v) One public member and alternate [§1218.40]. Council members and alternates will serve for a term of three years and be able to serve a maximum of two consecutive terms [§1218.42].

**SECTION 3.** The Council shall be appointed by the Secretary of Agriculture [§1218.40]

**SECTION 4.** All nomination procedures shall be in accordance with policy and the Order and any subsequent rules and regulations issued thereunder. The Council shall issue a call for nominations by November of each year in which nominations for an appointment to the Council are to be made. These nominations shall be certified by the Council and submitted to the Secretary of Agriculture by the date established by the Secretary in accordance with the Order [§1218.41].

**SECTION 5.** Adjustment of Council membership. At least once every five years, the Council will review the geographical distribution of United States production of blueberries and the quantity of imports. The review will be conducted through an audit of state crop production figures and Council assessment records. If warranted, the Council will recommend to the Secretary that the membership on the Council be altered to reflect any changes in the geographical distribution of domestic blueberry production and the quantity of imports. If the level of imports increases, importer members and alternates may be added to the Council [§1218.40(b)].

## **ARTICLE V**

### **OFFICERS AND THEIR DUTIES**

**SECTION 1.** The Council's officers shall consist of a Chairperson, Vice-Chairperson, Secretary and Treasurer.

**SECTION 2.** The officers shall be elected by the Council for a term of one (1) year or until their successors are elected from among the qualified Council members. The election shall be held at the beginning of the fiscal year, except for the initial election, which shall be held at the Council's organizational meeting. Officers are eligible to be elected for multiple terms, subject to being a member of the Council. In the event of death, resignation, or disqualification of an officer, a successor shall be elected by the Council members as soon as practical, with any such successor to serve until the completion of the term. In the event that the departing member was the Chairperson, the Vice-Chairperson shall become the new Chairperson and a new Vice-Chairperson shall be elected by the Council members.

**SECTION 3.** The Chairperson's duties shall be to: (a) preside at all Council meetings; (b) call special Council meetings when deemed necessary; (c) have general supervision of Council affairs and perform all acts and duties usually incident to and required of an executive and presiding officer; and (d) be an ex-officio member of all committees.

**SECTION 4.** The Vice-Chairperson's primary duty shall be to act in the place of the Chairperson in the Chairperson's absence, disqualification, or at the Chairperson's direction.

**SECTION 5.** The Secretary's duties shall be to: (a) keep a complete record of the proceedings at all Council and Executive Committee meetings and (b) attest to all papers, documents, and other instruments

on behalf of the Council. The Secretary may delegate such duties to the Council's staff. Another duty of the Secretary shall be to act in the place of the Chairperson and Vice-Chairperson if both are absent.

**SECTION 6.** The Treasurer's duties shall be to: (a) have custody of all funds and property belonging to or under control of the Council; (b) keep regular books of account under the direction of the Council; (c) deposit all funds of the Council, or under its control, in an approved bank or banks designated by the Council; (d) adhere to the Agricultural Marketing Service's policies on investment, security, and collateralization of public monies; (e) submit to the Council and the Secretary each month a financial report which shall include: (1) a balance sheet, (2) an income statement, and (3) an expense budget showing expenditures during the time period covered by the report, year-to-date expenditures, and the unexpended budget; (f) act as purchasing agent for the Council; and (g) serve as custodian of all insurance policies, and any fidelity bonds covering Council officers, employees and agents. The Treasurer may delegate such duties to the Council's staff.

**SECTION 7.** Contracts shall be signed on the Council's behalf by any two (2) persons authorized by Council resolution (actual or digital signature may be used). Disbursements shall be signed on the Council's behalf by use of signature of the Treasurer, or the signature of the Chairperson will be used if the Treasurer is unavailable and one additional signature of persons authorized by Council resolution.

**SECTION 8.** In addition to recommending the slate of Council officers, the Industry Engagement Committee also has the responsibility of identifying eligible candidates for the, importer and public member and alternate positions to recommend to the Council for the Secretary's approval. A slate of recommendations are made to the full Council at the Council's Fall Meeting of each election year with terms starting January 1.

## **ARTICLE VI**

### **EXECUTIVE COMMITTEE**

**SECTION 1.** The Executive Committee shall consist of the elected officers, one additional elected Council member (Member at Large), and the immediate past Chairperson (non-voting).

**SECTION 2.** If still serving a term of office, the Council may designate the immediate past Chairperson to serve on the Executive Committee as a non-voting ex-officio member. In the event the immediate Past Chairperson is unavailable; the most recent available Past Chairperson may be designated.

**SECTION 3.** The term of office for Executive Committee members shall be one (1) year or until their successors are elected. Executive Committee members are eligible to be elected for multiple terms, subject to the limitation of Council membership.

**SECTION 4.** The Executive Committee shall be responsible for the conduct of duties and policies as outlined by the Council.

**SECTION 5.** The Executive Committee shall meet upon the call of the Chairperson or by call of a majority of its members. The Executive Committee acts as the primary contact with the Council's Administrator (President) and provides the Administrator with advice, guidance and/or direction during times when the Council is not in session. When the Council is not in session the Executive Committee has the authority to approve actions concerning the day-to-day operation of the Council and to approve

Council activities presented by the various Council committees, industry members, vendors or staff as long as the activity and/or action does not obligate funding beyond previously approved Council budget categories (including unallocated reserves); does not exceed a Council commitment of more than \$25,000 in funds; and does not obligate the Council for more than one year. Any action beyond pre-approved budget levels; committing more than \$25,000 in Council funds; or a multi-year activity must receive full approval by the Council.

**SECTION 6.** All Executive Committee meetings shall be conducted in compliance with the provisions of Article VIII of these Bylaws and § 1218.45 of the Order. A majority of the Executive Committee shall constitute a quorum for any Executive Committee meeting. Executive Committee meetings shall be conducted within the guidelines, actual or implied, which have been established by the Council. The procedures applicable to the Council in Article IX, Section 1 and 2 for voting by mail, telephone, electronic mail, facsimile, or any other means of communications shall also apply to voting by the Executive Committee. No proxy votes shall be permitted.

**SECTION 7.** An Executive Evaluation & Compensation Committee, which will include the USHBC Chairperson and Vice Chairperson, shall annually evaluate the performance of the President and will share the results of the evaluation with the Council and USDA.

## **ARTICLE VII**

### **STAFF AND THEIR DUTIES**

**SECTION 1.** The Council may hire a President and the President may hire or designate such other employees as the Council may designate. As an alternative to an employee, the Council may contract for management services to perform the functions prescribed by the Bylaws and the Order.

**SECTION 2.** Subject to the general supervision and control of the Council, the President shall: (a) employ, supervise, and be responsible for the discharge of all Council employees, agencies, consultants, and other suppliers. (b) be responsible for all notices the Council is required to give; (c) assemble, compile, analyze, and provide all information necessary in connection with the performance of official Council duties; (d) prepare all resolutions setting forth Council actions; and (e) be responsible to the Council at all times for the proper administration of Council activities.

**SECTION 3.** The President shall ensure compliance with all provisions and requirements of the Act, Order, and these Bylaws.

**SECTION 4.** The President, serving as Administrative Secretary/Treasurer, under the general supervision of the Secretary and Treasurer, shall perform such duties as the Secretary and Treasurer may authorize and direct, including the: (a) preparation and maintenance of minutes of all meetings; (b) collection and deposit of all funds due to the Council; (c) keeping of books of account; and (d) co-signing contracts and checks on the Council behalf.

**SECTION 5.** The President shall ensure compliance with all provisions and requirements, including knowledge of the Act, Order, USDA rules and regulations, and USHBC policy.

## **ARTICLE VIII**

### **MEETINGS**

**SECTION 1.** The Council shall hold its Annual Meeting before the beginning of each fiscal period, which begins on January 1 of each year.

**SECTION 2.** Other meetings of the Council may be held whenever called by the Chairperson, or by the Vice-Chairperson acting in the Chairperson's stead, or by joint call of a majority of the Council members. Any and all business coming before the Council may be transacted at such meetings.

**SECTION 3.** At a properly convened meeting, it will be considered a quorum when a minimum of 11 members, or their alternates serving in their absence, are present. [§1218.45(a)]

**SECTION 4.** Meetings may be held at locations for the convenience of the Council members or for enhancement of relations with program participants. Council meetings may also be conducted via telephone, video conference or other platforms provided the ten (10) day notice policy is adhered to. [§1218.45(c)]

**SECTION 5.** Notice of all meetings, together with a written agenda, shall be mailed or e-mailed to each member of the Council. Such notice will be made at least ten (10) days prior to the meeting date. In case of an emergency, all possible advance notice will be given by fastest practical means of delivery without regard to the ten (10) day requirement. The Secretary of Agriculture shall be given the same notice as members.

**SECTION 6.** All Council proposals, programs, plans, and projects, or recommendations, including those to the Secretary of Agriculture, shall be in the form of a motion. All resolutions, upon adoption, shall be recorded and shall become a part of the official minutes. All adopted resolutions, which constitute Council policy, shall remain as such until amended by Council action.

## **ARTICLE IX**

### **VOTING PROCEDURES**

**SECTION 1.** All votes may be cast in person, or by electronic voting or other means as the Council deems appropriate to allow members participating by telephone, video conference or other platforms means to cast votes, and each member shall have one vote. [§ 1218.45(f)]

**SECTION 2.** In lieu of voting at a properly convened meeting, and when in the opinion of the Chairperson such action is necessary, the Council may take action if supported by one vote more than 50 percent of the Council members by mail, telephone, electronic mail, facsimile, or any other means of communication. In such an event, all members and the Secretary of Agriculture must be notified, and all members shall be provided the opportunity to vote. Any action so taken shall have the force and effect as though such action had been taken at a properly convened meeting. All such votes shall be recorded in Council minutes. Votes taken by telephone shall be confirmed promptly in writing. [§ 1218.45(g)]

## **ARTICLE X**

## **COMMITTEES**

**SECTION 1.** It will be considered a quorum at a committee meeting when at least one more than half of those assigned to the committee are present. Alternates may also be assigned to committees as necessary. Committees may also consist of individuals other than Council members and such individuals may vote in committee meetings. These committee members shall serve without compensation but shall be reimbursed for reasonable travel expenses, as approved by the Council. [§ 1218.45e]

**SECTION 2.** Upon authorization of the Council, the Chairperson shall appoint standing, ad hoc, or working committees. Working committees may include persons other than Council members. Committee members shall be appointed, in consultation with the Executive Committee for a three-year term with the ability to be reappointed for an additional term before having to roll off the committee for a minimum of one year before being eligible for reconsideration.

**SECTION 3.** The Council's Chairperson shall appoint committee chairpersons in consultation with the executive committee. Committee chairpersons and committee vice-chairpersons shall be appointed for a one-year term, with the ability to be appointed for an additional one-year term. Vice-chairpersons would automatically assume the committee chair position the following year.

**SECTION 4.** Each Council committee shall meet at the call of the committee chairperson with the consent of the Council Chairperson. No committee or any member thereof, shall have the authority to obligate the Council with the exception of the Executive Committee as detailed in Article VI, Section 4. In the absence of the Secretary or Administrative Secretary, the committee chairperson shall arrange for and authenticate the committee meeting minutes.

## **ARTICLE XI** **BONDS**

**SECTION 1.** Council officers, employees, and agents who handle funds for the Council shall be placed under fidelity bonds issued by a reputable bonding company in an amount to be fixed by the Council. The premiums of such bonds shall be paid by the Council.

## **ARTICLE XII** **PERSONAL LIABILITY**

**SECTION 1.** No Council member, alternate member, or employee shall be held personally responsible, either individually or jointly with others, in any way whatsoever, to any person for errors in judgment, mistakes, or other acts of either commission or omission of such member, alternate member, or employee, except for acts of dishonesty or willful misconduct. [§ 1218.75]

**ARTICLE XIII**  
**PROCEDURE AND TRANSACTION OF BUSINESS**

**SECTION 1.** The Council and its committees shall be governed in its deliberations and in the transaction of business by these Bylaws, Council policies and the provisions of the Order and the Act. Any matter of procedure not covered by these Bylaws shall be governed by Robert's Rules of Order.

**SECTION 2.** No person who is not a Council member or employee or representative of the Secretary of Agriculture shall be entitled to participate in the deliberations and proceedings or speak at official meetings of the Council, its Executive Committee, or its other committees, unless authorized by the Chairperson or the committee chairperson.

**ARTICLE XIV**  
**POWERS OF THE COUNCIL**

**SECTION 1.** Any officer, agent, employee appointed, elected, or employed by the Council shall be subject to removal or suspension by the Council at any time. No Council officer, member, alternate member, employee, or agent shall have the authority to obligate the Council unless such authority has been expressly delegated. All decisions, acts or performances of any such officer, member, alternate member, employee or agent shall be subject to the continuing right of the Council to disapprove of the same, and upon disapproval by the Council, shall be deemed null and void to such extent as the Council may determine.

**ARTICLE XV**  
**EXPENSES**

**SECTION 1.** Council members, alternate members, committee members, or employees, when acting on authorized business, shall be reimbursed for necessary and reasonable expenses incurred by them in the performance of their duties.-[§1218.46]

**SECTION 2.** The procedure and forms for approval of expense reimbursement requests and for filing claims for reimbursement shall be as set forth in the Council policy manual and reviewed and approved by the Council and USDA.

**ARTICLE XVI**  
**AMENDMENTS**

**SECTION 1.** The Council may amend these Bylaws at any Council meeting by an affirmative vote of no less than eleven (11) members.

**SECTION 2.** All Council members and the Secretary of Agriculture shall be notified at least ten (10) days in advance that an amendment will be considered.

**ARTICLE XVII**  
**EFFECTIVE DATE**

**SECTION 1.** These Bylaws and any amendments thereto shall become effective immediately upon adoption by the Council with the approval of the Secretary of Agriculture.

Approved by the Council – April 22, 2002

*Bylaws originally approved by the Council [April 22, 2002], amended and restated by the Council June 2015, amended March 2016, amended September 2016 and amended March 2017. This version incorporates all amendments approved by the Council and USDA through April 2018.*

draft

# Governance and Compliance Policies and Procedures

Amended and Approved by the USHBC Council: [date]  
Approved by the USHBC \_\_\_\_\_ Committee: [date]  
Approved by USDA: [date]

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### **6. DONATION AND GIFT POLICY**

- a. Overview
- b. Policies

## 1. PROMOTIONAL AGENCY POLICY

### a. Overview:

- i. Promotional agencies under contract with the USHBC to conduct market promotion activities will not offer services to any other berry organization while working with the USHBC. Should an agency be approached by another berry organization, the agency will direct the inquiry to the USHBC for initial consideration and to the USHBC Council for final decision.

### b. Property:

- i. Promotional agency agreements must specify that USHBC will own all materials and intellectual property produced by the agencies/contractors in connection with the scope of work. Upon the request, agencies or contractors shall deliver any such materials not already in the USHBC's possession.

### c. Promotional Agency Review

- i. Every four years (or earlier if deemed necessary) the USHBC Promotion Committee will conduct an "audit" of current advertising and publicity vendors to determine whether an agency review is needed. The following questions will be considered in the agency audit:
  - Has the firm maintained the same account team on the blueberry business for an extended period of time?
  - Has the fee structure increased significantly, or have costs remained in relative balance throughout the time the firm has been working on USHBC Business?
  - Have the needs of the USHBC changed to the point where the firm is stretched (staff or capability wise) to accomplish USHBC market promotion goals?
  - Has the firm continued to provide unique and creative work for the USHBC?
  - Does the firm bring new ideas and counsel to the Committee?
  - Where does the USHBC account rank in relation to the firm's other clients, does the USHBC receive the full attention of the firm?
- ii. If the committee is comfortable with the findings from the "agency audit" no further actions will be taken until the next scheduled audit. If a review is required the Committee will issue a Request for Proposals (RFP) announcing that the USHBC is in the process of reviewing its market promotion efforts and inviting potential market promotion companies interested in being considered by the Council to submit background information concerning their capabilities and budget structure.
- iii. The President (and selected members of the Promotion Committee if desired) will review the potential candidates and select up to four firms who will be asked to "pitch the blueberry business" with a proposed plan of action. The incumbent market promotion firm will also be asked to make a business pitch as well.
- iv. Following the presentations and committee discussions, the blueberry account will be awarded to the firm selected by the Promotion Committee based upon their unique presentation, knowledge of and interest in the business, and their capabilities.

## 2. ETHICS POLICY

### a. Overview

- i. The purpose for this ethics policy is to establish a culture of openness, trust and integrity in all U.S. Highbush Blueberry Council (USHBC) business practices.

Effective ethics is a team effort involving the participation and support of every USHBC member, alternate, committee member and employee.

- ii. The U.S. Highbush Blueberry Council is committed to protecting employees, volunteers, partners, vendors, the Council and blueberry consumers from illegal or damaging actions by individuals, either knowingly or unknowingly. The USHBC is committed to conducting all our activities with the highest standards of ethical conduct.
- iii. The USHBC will not tolerate any wrongdoing or impropriety at anytime, and will take the appropriate measures to act quickly in correcting the issue if the ethical code is broken. Any infractions of this code of ethics will not be tolerated.
- iv. **USHBC Mission**  
The U.S. Highbush Blueberry Council is a national research and promotion program that functions with the oversight of the U.S. Department of Agriculture. Our mission is to encourage domestic and international consumption of highbush blueberries through market promotion as well through the support and communication of health-related blueberry research.
- v. **Purpose of Ethics Policy**  
Our purpose for authoring a publication on ethics is to emphasize the employee, council member, council alternate, committee member and consumer expectation to be treated to fair business practices. This policy will serve to guide business behavior to ensure ethical conduct.
- vi. **Scope of Ethics Policy**  
This policy applies to employees, members, alternates, committee members, contractors, consultants, temporaries, and all other workers involved with the USHBC, including all personnel affiliated with third parties.

## **b. Code of Ethics**

### **i. USHBC Council Members**

- As members of the U.S. Highbush Blueberry Council, we acknowledge our responsibility to our industry, its customers, the Council and our fellow humans to exhibit the highest standards of business conduct. We therefore encourage our industry members to:
  - Be committed to adherence to laws, practices and regulations which apply to the areas where we conduct business.
  - At a minimum, follow the standards and practices required by law and regulation for growing, harvesting, processing and handling blueberries for the protection and health of our employees and those who eat our great product.
  - Encourage that hours worked each day, and days worked each week, shall not exceed legal limitations, that unsafe workplace practices not be tolerated and that employees be trained in safe practices.
  - Provide impartial and unprejudiced treatment to employees in all sectors of the industry.

- Conduct all our business practices with honesty, fair dealing and in conformance with high ethical standards and use only legal and ethical means in all business activities following all applicable laws and operating in ways that encourage trust among our members, their customers and other stakeholders.
  - Provide the means to help our industry grow in socially appropriate and ecologically responsible ways throughout the entire supply chain.
  - Be strongly committed to the strict adherence to all environmental rules, regulations and standards that are imposed by local, state and national government authorities.
  - Hold one another to the highest levels of integrity and be a good corporate citizen in every community and locality where we grow. Encourage blueberry growers to become involved in the life of their communities by participating in and sponsoring activities that result in community betterment.
  - Collaborate with industry members, researchers and others to benefit the responsible growth of the blueberry industry.
  - Be honest and fair in our promotion of blueberries and scrupulously accurate in our representation of the benefits of eating blueberries.
  - Support our Council, and the industry at large, by debating, crafting and promoting changes that will create opportunity for involvement in the industry.
  - Educate members about good management practices that contribute to further development of the industry's growing, handling, marketing, health, safety, public education and other important disciplines.
- ii. USHBC Executive Commitment to Ethics
- The USHBC Executive Committee and President must set a prime example of ethical practices. In any business practice, honesty and integrity must be top priority for USHBC executives.
  - Executives must have an open-door policy and welcome suggestions and concerns from employees, members, alternates and committee members. This will allow employees and members to feel comfortable discussing any issues and will alert executives to concerns within the work force or within the USHBC.
  - Executives must disclose any conflict of interest in regard to their position with the U.S. Highbush Blueberry Council
- iii. USHBC Employee Commitment to Ethics
- USHBC employees will treat everyone fairly, have mutual respect, promote a team environment and avoid the intent and appearance of unethical or compromising practices.
  - Every employee needs to apply effort and intelligence in maintaining ethics value.
  - Employees must disclose any conflict of interest with regard to their position within the USHBC

- Employees will help the USHBC to increase blueberry industry member, vendor and consumer satisfaction by being attentive to needs, providing quality service and timely response to inquiries.

iv. USHBC Awareness

- Promotion of ethical conduct within interpersonal communications of employees as well as council members, alternates and committee members will be encouraged.
- The USHBC will promote a trustworthy and honest atmosphere to reinforce the vision of ethics within the Council.

v. Maintaining Ethical Practices

- The USHBC will reinforce the importance of the integrity message and the tone will start at the Executive level. Every employee and USHBC member, alternate and committee member needs to consistently maintain an ethical stance and support ethical behavior.
- Employees, members, alternates and committee members of the U.S. Highbush Blueberry Council should encourage open dialogue, get honest feedback and treat everyone fairly, with honesty and objectivity.
- Concerns regarding the ethical code are to be addressed to the USHBC President or to the members of the USHBC Executive Committee. Persons who have such concerns may also contact USDA-AMS or USDA'S Office of Inspector General at 1-800-424-9121

vi. Unethical Behavior

- The USHBC will avoid the intent and appearance of unethical or compromising practice in relationships, actions and communications.
- The USHBC will not tolerate harassment or discrimination. Unauthorized use of USHBC market, promotion, operational, personnel, financial, technical information or administrative material integral to the success of the USHBC will not be tolerated.
- The USHBC will not permit impropriety at any time and we will act ethically and responsibly in accordance with laws.
- USHBC employees or members, alternates and committee members will not use USHBC assets or business relationships for personal use or gain.

**c. Disclosure, Conflict of Interest, and Lobbying Prohibition Policy**

- i. As defined in section 1218.3 of the Order, "conflict of interest" means a situation in which member/alternate or staff of the USHBC has a direct or indirect financial interest in a person who performs a service or enters into a contract with the USHBC for anything of economic value.
- ii. USHBC members/alternates and staff, are prohibited from:
  - 1) Using confidential information acquired by virtue of USHBC activities;
  - 2) Receiving anything of value from anyone who is doing or seeking to do business with USHBC where it could be inferred that the item was intended to influence me in an official action as a USHBC member/alternate appointed by the Secretary of Agriculture or staff;

- 3) Giving preferential treatment to any private organization or individual; and from lobbying as defined in section 1218.48 of the Order.
- iii. USHBC members/alternates and staff, must recuse themselves from any USHBC duties that could be considered a conflict of interest (including voting on certain issues).

**d. Enforcement of Ethics Policy**

- i. Any infractions of this code of ethics will not be tolerated and the U.S. Highbush Blueberry Council will act quickly in correcting the issue if the ethical code is broken.
- ii. Any employee or member found to have violated this policy may be subject to disciplinary action, up to and including termination of employment or membership.

**3. WHISTLEBLOWER POLICY**

The USHBC Whistleblower Policy: (1) encourages staff and volunteers to come forward with credible information on illegal practices or serious violations of adopted policies of the Organization; (2) specifies that the Organization will protect the person from retaliation; and (3) identifies where such information can be reported.

**a. Encouragement of reporting:**

The Organization encourages complaints, reports or inquiries about illegal practices or serious violations of the Organization's policies, including illegal or improper conduct by the Organization itself, by its leadership, or by others on its behalf. Appropriate subjects to raise under this policy would include financial improprieties, accounting or audit matters, ethical violations, or other similar illegal or improper practices or policies. Other subjects on which the Organization has existing complaint mechanisms should be addressed under those mechanisms, such as raising matters of alleged discrimination or harassment via the Organization's human resources channels, unless those channels are themselves implicated in the wrongdoing. This policy is not intended to provide a means of appeal from outcomes in those other mechanisms.

**b. Protection from retaliation:**

The organization prohibits retaliation by or on behalf of the Organization against staff or volunteers for making good faith complaints, reports or inquiries under this policy or for participating in a review or investigation under this policy. This protection extends to those whose allegations are made in good faith but prove to be mistaken. The organization reserves the right to discipline persons who make bad faith, knowingly false, or vexatious complaints, reports or inquiries or who otherwise abuse this policy.

**c. Where to report:**

Complaints, reports or inquiries may be made under this policy on a confidential or anonymous basis. They should describe in detail the specific facts demonstrating the bases for the complaints, reports or inquiries. They should be directed to the USHBC President or USHBC Chairman; if both of those persons are implicated in the complaint, report or inquiry, it should be directed to the USHBC Vice Chairman. The Organization will conduct a prompt, discreet and objective review or investigation. The Organization will keep the Agricultural Marketing Service informed of reports, inquiries and complaints.

Staff or volunteers must recognize that the Organization may be unable to fully evaluate a vague or general compliant, report or inquiry that is made anonymously.

#### 4. DOCUMENT RETENTION AND DESTRUCTION POLICY

This Document Retention and Destruction Policy of the U.S. Highbush Blueberry Council (USHBC) identifies the record retention responsibilities of staff, volunteers, members of the Board of Directors, and outsiders for maintaining and documenting the storage and destruction of the Organization's documents and records.

##### a. Rules:

The Organization's staff, volunteers, members of the Board of Directors and outsiders (i.e., independent contractors via agreements with them) are required to honor these rules: (a) paper or electronic documents indicated under the terms for retention below will be transferred and maintained by the Human resources, Legal or administrative staffs/departments or their equivalents; (b) all other paper documents will be destroyed after three years; (c) all other electronic documents will be deleted from all individual computers, data bases, networks, and back-up storage after one year; and (d) no paper or electronic documents will be destroyed or deleted if pertinent to any ongoing or anticipated government investigation or proceeding or private litigation.

##### b. Terms for retention:

###### i. Retain permanently:

- Governance records - Charter and amendments, Bylaws, other organizational documents, governing Council and committee minutes.
- Tax records - Filed state and federal tax returns/reports and supporting records, tax exemption determination letter and related correspondence, files related to tax audits.
- Intellectual property records - Copyright and trademark registrations and samples of protected works.
- Financial records - Audited financial statements, attorney contingent liability letters.

###### ii. Retain for ten years:

- Pension and benefit records – Pension (ERISA) plan participant/beneficiary records, actuarial reports, related correspondence with government agencies, and supporting records.
- Government relations records

###### iii. Retain for seven to ten years:

- Financial records- Bank statements, audit reports, handler reports, compliance cases.

###### iv. Retain for six years:

- Nomination information- applications, ballots, results, etc.

###### v. Retain for five years:

- Employee/employment records - Employee names, addresses, social security numbers, dates of birth, INS Form I-9, resume/application

materials, job descriptions, dates of hire and termination/separation, evaluations, compensation information, promotions, transfers, disciplinary matters, time/payroll records, leave/comp time/FMLA, engagement and discharge correspondence, documentation of basis for independent contractor status (retain for all current employees and independent contractors and for three years after departure of each individual).

- Lease, insurance, and contract/license records – Software license agreements, vendor, hotel, and service agreements, independent contractor agreements, employment agreements, consulting agreements, and all other agreements (retain during the term of the agreement and for three years after the termination, expiration, non-renewal of each agreement).

vi. Retain for three years:

- All other electronic records, documents and files – Correspondence files, past budgets, publications, employee manuals/policies and procedures, survey information, marketing plans, promotional materials.

**c. Exceptions:**

Exceptions to these rules and terms for retention may be granted only by the USHBC President or USHBC Chairman.

## 5. DIVERSITY OUTREACH PLAN

**a. Goal:**

Through the U.S. Highbush Blueberry Council (USHBC) Diversity Outreach Plan, the USHBC will strive to achieve a diverse representation on the Council by encouraging women and minorities to consider member and/or alternate positions on the Council.

**b. Policy:**

USHBC has adopted a diversity outreach plan to attempt to achieve a diverse representation on the Council. USHBC programs are open to all individuals without regard to race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, genetic information, parental status, and marital or family status. It is USHBC policy that membership on the Council and its committees reflect the diversity of individuals served by its programs. To accomplish this objective, the USHBC will strive to attain representation of growers and other industry participants from diverse backgrounds on the Council and USHBC committees. To this end, the USHBC strongly encourages women, minorities and persons with disabilities to seek nominations to the USHBC and to participate in Council and USHBC committee activities.

**c. Diversity outreach strategy:**

To accomplish our diversity goals, the following steps will be taken:

- i. The USHBC will issue a press release announcing the adoption of the USHBC Diversity Outreach Plan. This release will be mailed to the current USHBC Media List, Co-Op Extension Head Office List, USHBC List of Blueberry Extension Agents and the North American Blueberry Council Member List. The release will also be posted on the USHBC website at [www.blueberry.org](http://www.blueberry.org) and included in the next issue of the USHBC grower newsletter.
- ii. A notice defining the USHBC diversity policy and encouraging representation on the Council and USHBC committees, which is reflective of the blueberry industry, will be included in all USHBC news releases announcing USHBC nominations and elections. This notice will also be posted on the USHBC website, mailed to those publications and organizations listed in item #1 above, included in nomination packet mailings to all industry members currently listed on the USHBC mailing list as well as highlighted in the actual USHBC nomination form.
- iii. USHBC ballots will include an area for “write-in” candidates and the USHBC diversity policy statement will be prominently featured in the “write-in” section of the ballot.
- iv. The USHBC Industry Relations Committee will work with current USHBC members, alternates and committee members to ensure that state or international organizations making nominations to the USHBC will follow the USHBC diversity policy.
- v. Whenever appropriate, the USHBC representatives will discuss USHBC diversity objectives as part of their USHBC presentations to grower groups and other industry members.
- vi. To encourage industry attendance and participation, the USHBC will schedule biannual meetings in one of four regions on a revolving basis. Fall meetings will alternate between locations in the Midwest and East while Spring meetings will alternate between locations in the South and West. Meeting dates and times will be posted on the USHBC website, in the USHBC grower newsletter and detailed in a press release distributed to the USHBC media mailing list.
- vii. The USHBC will seek the assistance of the USDA’s Farm Service Agency in identifying potential USHBC nominees.
- viii. The USHBC will monitor and keep the USDA informed of the level of USHBC diversity on an ongoing basis, making adjustments to this plan as necessary to achieve our goal.

## **6. DONATION AND GIFT POLICY**

### **a. Overview:**

- i. The USHBC is prohibited to use assessment funds for financial or gift contributions to any organization; this includes gifts or donations in honor of an individual.

## **b. Policies**

- i. Allowance is made for expenditures of funds up to \$200 per person per event for cards, flowers, plants, or similar items including gifts for USHBC members or officers. USHBC funds can be used for council members and staff or contractors.
- ii. Allowance is made for donations of commodity, product or funds provided the donation is tied to public relations, charitable, promotional or health research activity or effort which promotes blueberries and/or the image of the blueberry industry.
- iii. USHBC is allowed to provide monetary gifts, gifts that function as money or other gifts as part of a research or promotional project which benefits the USHBC collection of information or extends the reach of a promotional activity.
- iv. Nothing in this policy prohibits the USHBC from providing funds to an organization if the funds are for a direct allowable expense (promotional activity, exhibit fee, etc.), a membership or sponsorship fee (group receiving the donation must certify in a letter, agreement or other documentation that the funds will not be used for the purpose of influencing government policy or action).
- v. USHBC funds cannot be used for, or contributed to, any political campaign or political parties.
- vi. Under no circumstances can USHBC members or staff offer to pay, make payment, promise to pay, or issue authorization to pay any money, gift or anything of value to customers, vendors, consultants, etc., that is perceived as intended, directly or indirectly, to improperly influence any business decision, any act or failure to act, or the commitment or commission of fraud. Inexpensive gifts and infrequent business meals, provided that they are not excessive or create an appearance of impropriety, do not violate this policy.
- vii. USHBC Council members or alternates, staff or contractors are prohibited from claiming any expense for spouses or other family members.
- viii. USHBC assessment funds cannot be used for open bars; personal expenses; influencing government policy or action; or any other use prohibited by the USDA.

## AGENDA ITEM #5

### Program Updates

- Draft Health Research Doctrine
- USHBC Members and Alternates
  - 2025 Memorandum of Agreement
  - 2025 Proposed Budget

# U.S. Highbush Blueberry Council

## Health Research and Nutrition Affairs Doctrine and Strategy 2034

### USHBC Health Research and Nutrition Affairs Doctrine

**A doctrine is a statement of beliefs, principles or positions around a certain body of knowledge that forms the foundation for action.**

The USHBC Health and Nutrition Doctrine represents a shared agreement around the purpose, goals and operating parameters of activities in the area of health and nutrition, and an understanding of how these activities advance the USHBC mission and vision.

#### **USHBC Mission**

To grow consumer demand for blueberries by uniting industry stakeholders through research, promotions and resources that strengthen their ability to compete in the global marketplace.

#### **USHBC Vision**

USHBC empowers the industry to make blueberries the world's favorite fruit.

## **WHY**

We engage in health and nutrition activities in order to:

- Drive greater demand for blueberries.
- Increase the benefit of eating blueberries in the eyes of the consumer.

Our efforts are rooted in the following beliefs as an industry:

- We believe that blueberries are an important part of a healthy daily lifestyle and diet.
- We believe that the quality of research and the integrity with which the research is conducted are essential to credibility and efficacy in achieving the desired impact on demand.

## **WHAT**

We seek to achieve the following results:

- To educate the consumer on why they should eat blueberries.
- To preserve and enhance the “health halo” of blueberries.
- To provide evidence regarding the health benefits of blueberries that will influence decision-makers to incorporate blueberries in programs and policy.
- To improve the quality of scientific evidence that can position blueberries as an important part of a healthy daily lifestyle and diet.

- To uphold the industry's reputation for integrity in health research.

## HOW

The following principles guide our work in health and nutrition:

- We ground ourselves in sound science, requiring rigorous research methodology, independent researchers associated with well-established institutions, and results submitted to peer-reviewed journals.
- Our research priorities are informed by an understanding of consumer behavior and motivation, and results that have the potential to measurably increase demand for blueberries.
- Health and nutrition work is conducted through a collaboration between the marketing and research/nutrition functions within USHBC. Consumer insights drive what we research; sound science drives how.
- A strategy and set of metrics to measure the impact of health and nutrition activities in increasing demand for blueberries will be important for USHBC leadership to assess progress and best use of industry resources.

## Position of Health Research and Nutrition Affairs

Health Research and Nutrition Affairs will adopt the following focus and direction in advancing the USHBC mission and vision.

### Health Research

- Through continued health research and effective distribution of results, preserve and build upon the current positive consumer perception of the health benefits of blueberries.
- Explore new health research opportunities that focus on market-rich consumer segments and non-consumer groups in which consumer insights suggest that increased consumption could be achieved through aligning blueberry health messages to an outsized consumer need.
- Better leverage past and current research findings and insights to enhance health messaging, find new audiences and inspire nutritional affairs efforts.

### Nutrition Affairs

- Mine opportunities to marry science with marketing/communications and public relations to better position blueberries as a fruit of choice with decision-makers (e.g., dietary guidelines, government procurement programs, etc.).
- Continue to build a reputation with decision-makers as a credible source of data to inform purchase decisions (e.g., food as medicine initiative, produce prescriptions at retail).

- Apply nutrition research by providing expertise and advice to inform policymakers, food manufacturers, foodservice operators and chefs for commercial opportunities.

## Health Research and Nutrition Affairs Strategy 2034

The current USHBC Strategic Plan is organized around five “pillars” or critical areas within which the organization needs to perform with excellence in order to advance its mission. One of these critical performance areas is “Health and Nutrition.”



The Health Research and Nutrition Affairs Strategy outlines 10-year goals and an approach to pursue activities in this area. Adopting a long-term view allows USHBC to be more strategic and proactive in pursuing health research and nutrition affairs activities that have the greatest chance to increase demand and maintain the blueberry “health halo” that previous efforts have achieved. In a crowded, competitive field for health messaging, maximum impact for limited resources will be needed. A 10-year strategy provides a focus and direction for this effort.

[Note: The following goals and strategy should be confirmed as part of the development of the new USHBC Strategic Plan in 2025.]

### 2034 Goals for Health Research and Nutrition Affairs

The following goals for Health Research and Nutrition Affairs, to be achieved by 2034, can guide strategy and allocation of resources in this area.

[Note: See **APPENDIX E** for suggested broader goals related to blueberry consumption overall. These can be considered as part of the planned 2025 update of the USHBC Strategic Plan. It is understood that accomplishment of any goals related to consumption will also require support from progress in other USHBC pillars, including “Innovation and Technology,” and efforts to positively impact produce quality and consistency.]

- |                          |   |
|--------------------------|---|
| <input type="checkbox"/> | Change the 2030 Dietary Guidelines for Americans to establish berries as a subtype.   |
| <input type="checkbox"/> | Set research priorities on an ongoing basis based on identification by promotions/marketing of market-rich opportunities.               |
| <input type="checkbox"/> | Review past and current study results and identify ways to repackage and/or develop new messaging to drive demand for target audiences. |
| <input type="checkbox"/> | Remain agile to adjust to changing public health issues and policy.   |
| <input type="checkbox"/> | Supply nutrition data and expertise to support an effort by promotions/marketing to land new food ingredient partners.                  |
| <input type="checkbox"/> | Support the increase of government procurement.   |

- Lead an educational effort to raise awareness of the distinct nutritional value of the berry category (e.g. with schools, food manufacturers, WIC/EBT program, etc.)

DRAFT

# Strategy

The following breaks down Health Research and Nutrition Affairs strategy into four major components and details a focus, target audiences, a general time frame and possible key measures.

	B2C Direct to Consumer PR Comms			
	B2B or B2G influence the influencer Nutrition Affairs Effort for Scaled Business Outcomes	B2B Natural Foods H&W Focused Business Focus	(A) Long-Range Targeted Efforts for Targeted Market-Rich Cohorts	(B) General Public Health Halo Support/Maintenance
<b>Definition</b>	Primary area in which health and nutrition content/information/intel can be leveraged for greatest upside. Seeks to influence entities that (a) Have a 1:many relationship regarding the ability for USHBC to focus in one place in order to impact the consumption of many. (B) Are highly motivated by health and nutrition.	The total addressable market for the "healthy" or better for you foodservice and food manufacturing sector is billions of dollars. USHBC has not set a specific strategy and approach for using our product and knowledge in nutrition to leverage a favorable position here.	Explore new health research opportunities that focus on market-rich consumer segments and non-consumer groups in which consumer insights suggest that increased consumption could be achieved through aligning blueberry health messages to an outsized consumer interest.	This is the more traditional/historical place USHBC has played in that it uses press releases and earned media stories to communicate health benefits directly to the general public obtained through research studies. Has built off of the general produce health halo to be seen as highlight for health in the space.
<b>Key Focus Targets</b>	<ul style="list-style-type: none"> <li>• K-12 FoodService Directors</li> <li>• Federal Dietary Guidelines Leaders</li> <li>• School RDs and Nutritionists</li> </ul>	<ul style="list-style-type: none"> <li>• CPG (Ingredient)</li> <li>• FoodService (better for you)</li> <li>• Natural Products Expo Strategy</li> <li>• Health Facilities/Hospitals etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Identified Market Rich Sub-Groups..eg:               <ul style="list-style-type: none"> <li>☐ Diabetics</li> <li>☐ Fitness-Focused Males</li> <li>☐ Eye Health-Driven Japanese/Koreans</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• General Population</li> </ul>
<b>Description</b>	These entities wield great influence if not the raw power of mandate to drive what millions of people eat everyday and they are primarily driven by nutritional aims and goals. USHBC should leverage our historical and future work here. Need a food as medicine strategy.	Simple fish where the fish are strategy. We pitch our healthy product to entities whose decisions are largely driven by health.	This starts with the business purpose and likelihood of success/goal in mind. Start with a target cohort and an identified business opportunity that is quantitatively provable and attractive to the business in which the missing piece or ingredient is the connection of a health/nutrition blueberry story to that opportunity that can be acquired through new research.	Roughly 65-70% of consumers & non-consumers recognize blueberries as generally healthy and beneficial for immune health and antioxidants. Maintaining this "health halo" may require short term use of new or existing research publicized primarily through earned media channels.
<b>Time Frame of Strategic Activities</b>	Range of efforts from annual to multi-year.	Range of efforts from annual to multi-year.	3-5 year research timeframes.	Monitor halo annually.
<b>KPI/Measurement</b>	<ul style="list-style-type: none"> <li>• Track usage of information</li> <li>• A/B tests</li> <li>• DGA changes</li> <li>• Menu additions K-12</li> <li>• Volume sales</li> </ul>	<ul style="list-style-type: none"> <li>• Track usage of information</li> <li>• A/B tests</li> <li>• Menu additions</li> <li>• Product launches</li> <li>• Volume sales</li> </ul>	<ul style="list-style-type: none"> <li>• Track usage of information</li> <li>• A/B tests</li> <li>• Media results</li> <li>• Volume sales</li> </ul>	<ul style="list-style-type: none"> <li>• Use of brand health studies inclusive of annual review of "halo" levels with consumers.</li> </ul>

**Overarching Strategy:** Identify/evaluate market-rich audiences to inform direction for future research on an ongoing basis. Use existing research by others as well if credible/appropriate to inform research decision-making.

# Health Research and Nutrition Affairs Program Governance

In determining how best to operate the Health Research and Nutrition Affairs Program, the components and principles of good governance can be a guide. Governance is made up of several components that work together to support accomplishment of the program purpose. Those components are: structure, process, people, resources and operating culture. An organization or program that follows the principle of good governance is characterized by the following:

- Efficiency:** Every part of the structure should add value; resources should be maximized; processes should be streamlined; decision-making should be timely.
- Engagement:** All critical perspectives should be engaged in the work and have a valued role to play.
- Focus and Clarity:** Roles are clear and complementary; consensus is achieved around a common vision and operating values; there is alignment and strategic integration of activities.
- Transparency:** The decision-making process should be clear and understood by all; there is an open flow of communication and information.
- Accountability:** Effective oversight and evaluation of progress and measures of success are in place; a trusting environment; a focus on what is best for the whole organization/industry.
- Flexibility:** Nimble; able to adjust to changes in the environment; proactive/visionary.
- Knowledge-Based Decision-Making:** Decisions are informed by a continual flow of information, including constituent perspectives and performance data.

## *How We Will Operate the Health Research and Nutrition Affairs Program*

### **Program Structure and People**

Primary roles and accountabilities in the Health Research and Nutrition Affairs Program:

#### **Professional Staff**

##### **President**

- Reports to the council to ensure strategic alignment on overall program goals and objectives to fulfill the mission and vision of the USHBC.
- Reports to the council to ensure the continuity and alignment of the USHBC's committee structure to advance the goals and objectives of the council.

##### **Vice President of Global Marketing and Communications**

- Responsible for ensuring that the strategic initiatives of the Health Research and Nutrition Affairs Program are aligned with the overall strategic plan and vision for marketing.

- Reports to the president and is responsible for managing the priorities, goals and objectives related to health research and nutrition affairs efforts of the USHBC.
- Responsible for working with the Senior Director of Health & Nutrition to develop a needs assessment every two to three years to uncover market-rich opportunities, and an annual health research and nutrition affairs work plan.
- Responsible for ensuring the continuity of priorities, strategy and the working relationship between the Health Research Advisory Board and the Promotion Committee.

### **Senior Director of Health & Nutrition**

Reports to the Vice President of Global Business Development to manage the priorities, goals and objectives related to the health research and nutrition affairs efforts of the USHBC. Responsibilities include:

#### *Health Research*

- Staff liaison to the USHBC Health Research Advisory Board (HRAB) and the Scientific Advisory Board (SAB).
- Liaison between HRAB and Promotion Committee.
- Works with the HRAB to identify, solicit and recommend to the Promotion Committee the funding necessary to drive compelling research for consumers and health professionals.
- Manages USHBC's robust pipeline of market-relevant, consumer-inspiring, science-based research projects to assure that they are on time, on budget and on message.
- Works with the USHBC's marketing and communications team to develop press releases to communicate findings from research studies to consumers, RDs, health and wellness influencers, and the media.
- Supports the marketing team with nutritional expertise and collaborates closely with government agencies.
- Leads efforts involving research activities or outcomes focused on global markets.

#### *Nutrition Affairs*

- Collaborates with USHBC's marketing and communications team to promote blueberries in noncommercial foodservice, such as K-12, and colleges and universities.
- Leads USHBC research projects that provide evidence to encourage government agencies to recommend blueberries.
- Leads USHBC specific efforts to assist foodservice operators and consumer packaged goods manufacturers that focus on health and nutrition as their differentiator and value proposition to consumers.

### **Public Policy Adviser**

- Responsible for working with the Senior Director of Health & Nutrition on an annual basis to develop and execute an approved Nutrition Affairs Program that is strategically aligned with marketing.
- Responsible for identifying and facilitating the education, awareness and understanding of USHBC's health research findings within legislative, regulatory and nongovernmental organizations as needed and requested.

### **Promotion/Marketing Committee**

- Present overall promotions budget to council (involving Senior Director as needed) for approval, including annual allocation for health research and nutrition affairs within three-year budget planning for these activities (see below).
- Generate data and insights to identify market-rich opportunities and to inform priorities for research.
- Collaborate with the HRAB to:
  - Discuss insights from the findings.
  - Discuss and prioritize research projects in order for the Senior Director of Health & Nutrition to establish a comprehensive and strategically aligned budget for review by the Promotion Committee and approval by the council.
  - Develop and present metrics to assist the council in evaluating progress and impact of health research and nutrition affairs activities.
- Develop an earned media strategy – both proactive and responsive – to raise interest and visibility of research findings and respond to inquiries.

### **Health Research Advisory Board**

- Oversee the health research solicitation, review, selection and monitoring process once priorities are determined. (*Note: It is important that this responsibility be handled independently by the HRAB and the SAB.*)
- Engage SAB experts to support the research selection process.
- Collaborate with the Promotion Committee to:
  - Confirm insights from consumer research findings.
  - Discuss and prioritize research projects and assist the Senior Director of Health & Nutrition in developing an annual budget request for review by the Promotion Committee and approval by the council.
  - Develop and present metrics with the Promotion Committee to assist the committee in the evaluation of progress and impact of health research and nutrition affairs activities for reporting to the council.

### **Scientific Advisory Board**

Works with the HRAB to:

- Evaluate research proposals submitted for funding.
- Contribute perspective on opportunities in the research marketplace to satisfy the needs and goals of USHBC for high-quality research.

- Determine the best methodology and recommend researchers/research institutions that can satisfy needs and safeguard the integrity of the research process and results.
- Assist in decision-making regarding studies in progress.

### **Executive Committee/Council**

- Stay informed on health research and nutrition affairs activities as part of the overall strategy to achieve the USHBC mission and vision.
- Understand and approve resources to execute this program and advance long-term strategy and goals in this area.
- Ensure strategic alignment and integration of the promotions, health research, nutrition affairs and public relations programs.
- Measure the impact of the program to ensure best use of USHBC/industry resources in driving profitable demand for blueberries.

### **Program Process**

The process by which this program operates can best be described as collaborative, informed, proactive, nimble and transparent.

- *Collaborative and Informed.* Data from consumer marketing insights are used to inform research and nutrition strategy.
- *Nimble.* Within a longer-term set of goals and priorities, an annual work plan is developed with the right mix of new research to pursue and ways to leverage existing research to take advantage of specific opportunities.
- *Proactive.* With both a short- and long-term view in place, the HRAB and SAB can be more proactive in encouraging and supporting research interest in desired areas.
- *Transparent.* Industry and council board polling suggests a general lack of awareness and understanding of USHBC health research and nutrition affairs activities, resources and impact. Strategies to raise the visibility of these efforts and their impact are being planned to support sound decision-making and facilitate two-way communication with industry.

See **APPENDIX B** for a flowchart depicting the ideal steps, timeline and accountability for collaboration around the goals and execution of the Health Research and Nutrition Affairs Program.

### **Program Resources**

Overall goals for use of USHBC resources to fund the Health Research and Nutrition Affairs Program are: 1) to ensure maximum results for the investment; and 2) direct use of resources to opportunities that have the greatest potential to increase demand. The HRAB uses the following approaches to resource management, and these should continue:

- Look for ways to multiply investment by repackaging findings for different uses.
- Explore opportunities to partner or share costs.
- Offer product to support/entice desired research.

- Label research activities/studies “USHBC–supported” as appropriate.
- Use research conducted by others if credible and useful to USHBC goals.

In the past, funds were awarded to the Health Research Program at similar levels each year, and these dollars were used to fund as many of the highly reviewed proposals as possible. Going forward for maximum flexibility in use of resources, it is suggested that:

- A three-year plan for health research and nutrition affairs be developed – driven by a body of consumer research (market-rich opportunities) – with an associated budget that supports progress toward the 10-year goals and strategy for blueberry consumption. This can be updated based on progress made, the rise of unanticipated issues or opportunities, etc.
- Within this plan, each year, an annual budget request is made to fund an appropriate mix of new research, support for research in the pipeline and/or use of existing research, based on collaborative discussions between promotions, health research and nutrition affairs. The amount allocated could vary year to year depending on determined priorities.

## Program Culture

The collective operating values or culture of the organization represent a shared agreement on the part of all involved regarding how the program will be run, and how groups and individuals who are part of the program agree to work together.

Based on the Health Research and Nutrition Affairs Doctrine and Strategy defined above, the following values will be adopted:

- A *shared vision* for the goals and impact of the program and how it advances the USHBC mission to increase consumer demand for blueberries.
- *Open, frequent, two-way communication* between the principal parties in the program.
- *Collaboration* that supports efforts to do what is best for the industry and the USHBC as a whole.
- A *data-driven approach* to decision-making.
- The pursuit of *innovation* in research and promotions strategy and practice to leverage resources and get the best results.
- A spirit of *camaraderie* that makes the most of the differences in each other’s experience, talents and perspectives, and at the same time honors and protects relationships.

# APPENDIX A

## Health and Nutrition Doctrine and Strategy 2034 Meeting Attendees

On April 10-11, 2024, the following individuals met in Santa Barbara, California, to collaborate on the development of a doctrine for USHBC work in the area of health research and nutrition affairs, and to set a direction and a 10-year strategy to advance USHBC goals in this area.

Attendees represented all the entities within USHBC that must regularly bring their unique talents and points of view together under the USHBC Health and Nutrition pillar to advance the mission to *grow consumer demand for blueberries*.

### **Health Research Advisory Board**

Mark Sweeney, Chair  
Lindsey Bodtke  
Dave Brazelton  
Amy Howell Ph.D.  
Joe Barsi  
Tammy Brannen

### **Scientific Advisory Board**

Aedin Cassidy Ph.D.  
Johanna Lampe Ph.D., RD

### **USHBC Executive Committee**

Shelley Hartmann  
Bryan Sakuma  
Art Galletta  
Joe Barsi

### **Promotion Committee**

Brian Bocock

### **Staff**

Kasey Cronquist  
Kevin Hamilton  
Leslie Wada Ph.D., RD  
Alyssa Houtby

### **USDA**

Andrew Charles

### **Guest**

Rob Bodtke

### **Facilitator**

Jim DeLizia, CAE

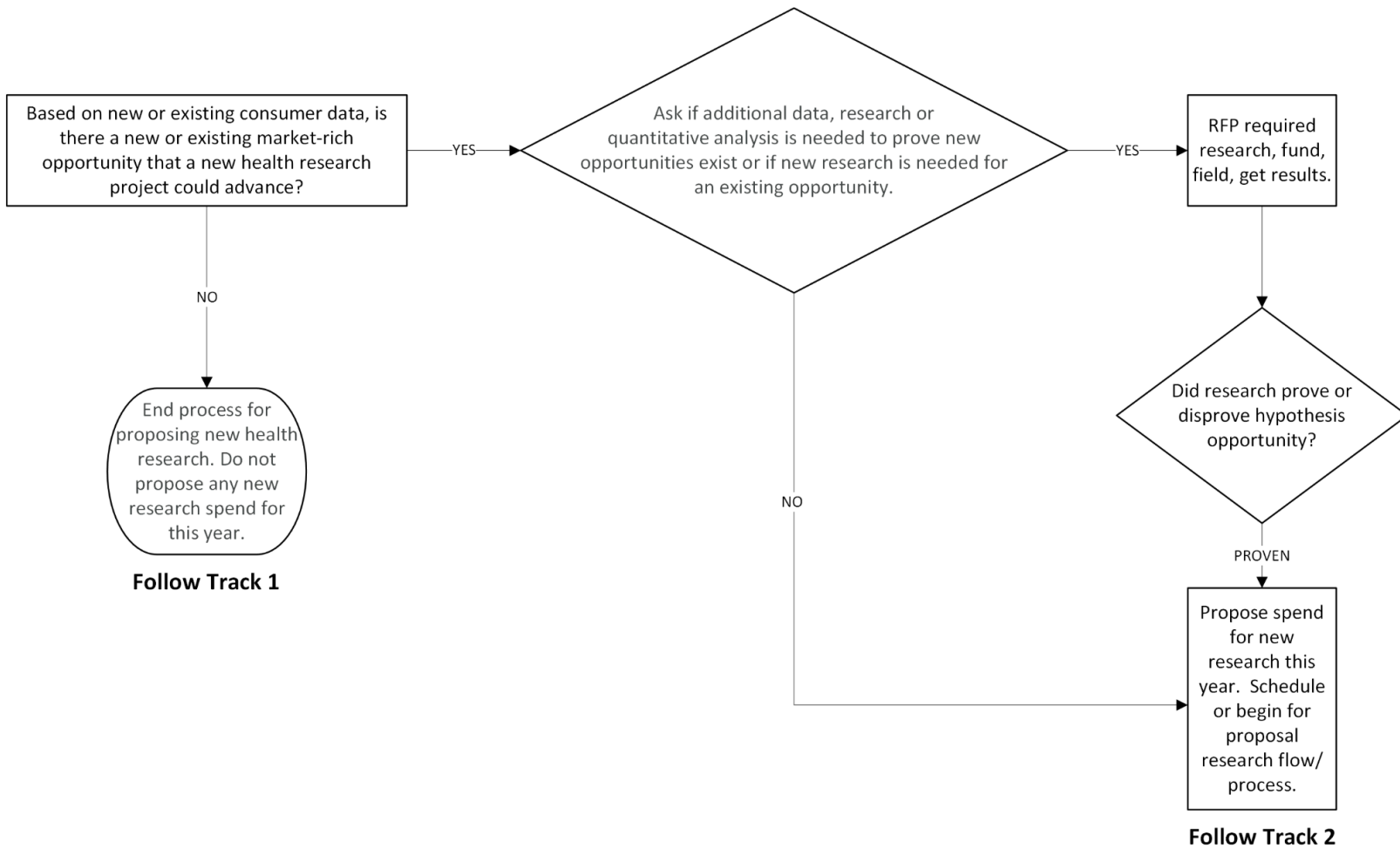
## APPENDIX B:

# Health Research Decision-Making Process and Timeline

The following chart outlines the annual review and decision-making process between the Vice President of Global Marketing and Communications and the Senior Director of Health & Nutrition that takes place each year in February. This is designed to ensure that there is continual alignment on the marketing need for health and nutrition research based on the spirit of this doctrine.

The results of this annual deliberation will determine what track is followed for budget planning purposes.

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## Annual Health Research Review and Needs Assessment: Staff Process for Reviewing the Pipeline of Health Research

The following flow chart outlines the annual process that USHBC staff will undertake after the Vice President of Global Marketing and Communications and the Senior Director of Health & Nutrition's review of the USHBC's research pipeline to determine if a new health research project is needed to advance the goals and objectives of this health research doctrine.

The annual review and needs assessments will follow one of two tracks:

**Track 1:** No new research is necessary.

**Track 2:** New research is needed and a specific letter of intent is developed.

It is important to note that once a need is determined to be on strategy with the goals and objectives of USHBC's marketing efforts identified through the process of this Health Research Doctrine, the request for proposal and selection process outlined in Track 2 is the responsibility of the Senior Director of Health & Nutrition, who will work directly with the Health Research Advisory Board and the Scientific Advisory Board to review and select the research projects. The Promotion Committee will not be involved in any way with the review and selection of the proposals. The Vice President of Global Marketing and Communications and the Senior Director of Health & Nutrition will be expected to present the selected proposals in August/September to the USHBC Promotion Committee to ensure program alignment prior to program budget requests to the council.

# Overview on Health Research Timeline

## No new research development track

February

Strategy & priority check-in between VP of Marketing & Communications and Sr. Director of Health & Nutrition

Research and Nutrition Affairs Annual Plan & Budget developed  
August/September

September/ October

October

January

Board reviews and approves budget → USHBC notifies selected proposals → USHBC contracts with research organization

## New research development track

Letter of intent developed by Sr. Director of H&N and VP of Global Marketing & Communications  
TBD

Letter of intent reviewed by SAB

Letter of intent announcement sent

Letters of intent due

Responses reviewed by HRAB & SAB

Full proposals requested

Full proposals due

Full proposals reviewed & selected for recommendation by HRAB & SAB

Selected proposal/s presented to Promotion Committee to be included in overall budget request

March

March

April

May

May

June

July

August/ September

August/ September



## APPENDIX C:

### Health Research – Highlights of Program History, Investment and Results

#### Summary of Research Studies: 2005-2023

- 82 projects have been funded for a total of \$12,932,607.\*
- 16 studies are currently in progress.
- 66 studies have been completed.
- 59 scientific papers have been published.
- 7 scientific papers are in progress.
- 10 studies did not publish (4% of total investment).

\*Note: The value of the 12 research projects currently in progress included in this total is \$4,825,599. All have been partially paid, with an amount outstanding of \$1,596,681.

Since 2000, of the media articles that mentioned USHBC research studies, there was a total of 97,501,433 unique visitors per month.

#### Highlights of USHBC Health Research Program

<b>1999</b>	Blueberries rank high in antioxidant activity.
<b>2000</b>	USHBC is established with a research program.
<b>2006</b>	Produced first lot of freeze-dried blueberry powder.
<b>2010</b>	Blueberry consumption improved insulin sensitivity in metabolic syndrome.
<b>2011</b>	Blueberries showed promise in breast cancer study.
<b>2012</b>	Unlike grapefruit juice, blueberry juice did not interfere with drug metabolism.
<b>2013</b>	Worked with USDA Western Regional Laboratories to produce first prototype of placebo powder.
<b>2014</b>	Produced large volumes of placebo powder and packaged placebo and blueberry powder in packets so that researcher and participants are “blinded.”
<b>2015</b>	Blueberries and cardiovascular health in postmenopausal women.
<b>2016</b>	Partnered with researchers on MIND Diet study.
<b>2017</b>	Blueberries improved cognitive function in elderly men and women.
<b>2018</b>	Established Scientific Advisory Board.
<b>2019</b>	Circle Study – Longest and largest blueberry clinical trial. Fresh and frozen blueberries can use American Heart Association Heart Healthy seal.
<b>2020</b>	Blueberry consumption lowers HgA1c in diabetic men.
<b>2021</b>	Blueberries improve cognitive function in middle-aged men and women.
<b>2022</b>	First Blueberry Research Roundtable held in Washington, D.C.
<b>2023</b>	Blueberries beneficial in irritable bowel syndrome.

## APPENDIX D:

# Nutrition Affairs – Program Scope, Results and Opportunities

## Program Scope

### Food & Nutrition Affairs (FNA)

- Integrated science + market research + public affairs + communications strategy to accomplish specific goals in authoritative guidance that are good for business and good for public health.
- Often breaking barriers or creating new opportunities that are not possible without a strategic plan.

Requires a fully integrated, long-term custom plan:

- Science strategy
- Market research strategy
- Public affairs activation
- Communication strategy

### Health & Nutrition Research

- Scientific studies to improve understanding of human health and find better ways to prevent or treat disease.
- Often conducted in service of marketing plan, FNA strategy or both.
- Includes randomized controlled trials, epidemiological (cohort) studies, case control studies, systematic reviews, meta-analyses, applied science.

## Business Impact of FNA Strategy

- Secure placement in authoritative dietary recommendations.
- Inclusion in food assistance and Food As Medicine programs.
- Secure new health/nutrition claims.
- Secure subsidies/incentivization.
- Build stakeholder support.

### **Boosts Consumption**

Claims = 75% ↑ in choice  
Subsidies = 6% ↑ in sales

Source: Kaur et al. (2017); Andreyeva et al. (2022)

## Opportunities for Increased Sales and Consumption

- Drive science and advocacy for bioactives and anthocyanins to secure fruit subgroup recommendations in DGA:
  - DGA guide **\$183B** in federal feeding programs.
  - **66%** of USDA budget goes to nutrition assistance programs.

- Integration into K-12 school meal programs:
  - **\$18.8B** reimbursable meals for K-12.
  
- Inclusion in Food As Medicine research and activation initiatives:
  - **\$250M** investment in AHA Health Care By Food Initiative.
  
- Advantageous positioning – especially for frozen – in WIC/SNAP programs:
  - **47.5M** participants.
  - **8%** of all food purchased via SNAP.

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# USHBC Members & Alternates

Submitted to USDA August 2024  
(awaiting affirmation from USDA)

<b>CALIFORNIA:</b>	Member – Doug LaCroix Alternate – Bill Steed	(1 <sup>st</sup> Term ends 12/31/25) (1 <sup>st</sup> Term ends 12/31/25)
<b>FLORIDA:</b>	Member – Brittany Lee Alternate – Michael Hill	(1 <sup>st</sup> Term ends 12/31/25) (1 <sup>st</sup> Term ends 12/31/25)
<b>GEORGIA:</b>	Member – Tammy Brannen Alternate – Bradon Wade	(1 <sup>st</sup> Term ends 12/31/25) (1 <sup>st</sup> Term ends 12/31/25)
<b>MICHIGAN:</b>	Member – Dennis Vander Kooi Alternate – George Fritz, Jr.	(1 <sup>st</sup> Term ends 12/31/25) (1 <sup>st</sup> Term ends 12/31/25)
<b>NEW JERSEY:</b>	Member – Paul Macrie III Alternate – Chelsea Consalo	(2 <sup>nd</sup> Term ends 12/31/25) (1 <sup>st</sup> Term ends 12/31/25)
<b>NORTH CAROLINA:</b>	Member – Jimmy Horrell Alternate – Kristen Johnson-Brinkley	(1 <sup>st</sup> Term ends 12/31/25) (1 <sup>st</sup> Term ends 12/31/25)
<b>OREGON:</b>	Member – Doug Krahrmer Alternate – Ellie Norris	(2 <sup>nd</sup> Term ends 12/31/25) (1 <sup>st</sup> Term ends 12/31/25)
<b>WASHINGTON:</b>	Member – Bryan Sakuma (Vice Chair) Alternate – Leif Olsen	(2 <sup>nd</sup> Term ends 12/31/25) (1 <sup>st</sup> Term ends 12/31/25)
<b>REGION 1 (West):</b>	Member – Anne Krahrmer-Steinkamp Alternate – Nathan Sakuma	(1 <sup>st</sup> Term ends 12/31/27) (1 <sup>st</sup> Term ends 12/31/27)
<b>REGION 2 (Midwest):</b>	Member – Katelyn Craig Alternate – Kara Laraway	(1 <sup>st</sup> Term ends 12/31/27) (1 <sup>st</sup> Term ends 12/31/27)
<b>REGION 3 (Northeast):</b>	Member – Brandon Raso Alternate – Alec Arena	(1 <sup>st</sup> Term ends 12/31/27) (1 <sup>st</sup> Term ends 12/31/27)
<b>REGION 4 (South):</b>	Member – Jody McPherson Alternate – Dan Register	(2 <sup>nd</sup> Term ends 12/31/27) (1 <sup>st</sup> Term ends 12/31/27)
<b>IMPORTER #1:</b>	Member – Gonzalo de Elizalde Alternate – Bonnie Lundblad	(1 <sup>st</sup> Term ends 12/31/27) (1 <sup>st</sup> Term ends 12/31/27)
<b>IMPORTER #2:</b>	Member – JC Clinard (Treasurer) Alternate – Guy Cotton	(2 <sup>nd</sup> Term ends 12/31/25) (2 <sup>nd</sup> Term ends 12/31/25)
<b>IMPORTER #3:</b>	Member – Ryan Lockman Alternate – Andrew Maiman	(1 <sup>st</sup> Term ends 12/31/25) (1 <sup>st</sup> Term ends 12/31/25)
<b>IMPORTER #4:</b>	Member – Joe Barsi (Secretary) Alternate – Bo Slack	(1 <sup>st</sup> Term ends 12/31/25) (1 <sup>st</sup> Term ends 12/31/25)
<b>EXPORTER 1:</b> (Chile)	Member – Juan Pablo Vogt Jara Alternate – Ruy Barbosa	(1 <sup>st</sup> Term ends 12/31/27) (1 <sup>st</sup> Term ends 12/31/27)
<b>EXPORTER 2:</b> (Canada)	Member – Mark Adams Alternate – Ray Biln	(1 <sup>st</sup> Term ends 12/31/25) (1 <sup>st</sup> Term ends 12/31/25)
<b>EXPORTER 3:</b> (Peru) 2-year term	Member – Daniel Bustamante (Mbr @ Large) Alternate – Jose Antonio Castro	(2 <sup>nd</sup> Term ends 12/31/27) (2 <sup>nd</sup> Term ends 12/31/27)
<b>EXPORTER 4:</b> (Mexico) 2-year term	Member – Miguel Mendez Alternate – Raul Gonzales Chavez	(1 <sup>st</sup> Term ends 12/31/27) (1 <sup>st</sup> Term ends 12/31/27)
<b>PUBLIC MEMBER:</b>	Member – Bill Cline Alternate – Patricio R. Munoz	(1 <sup>st</sup> Term ends 12/31/27) (1 <sup>st</sup> Term ends 12/31/27)

**AGREEMENT FOR MANAGEMENT AND ADMINISTRATIVE SERVICES  
BETWEEN THE NORTH AMERICAN BLUEBERRY COUNCIL  
AND THE UNITED STATES Highbush Blueberry Council**

This AGREEMENT FOR MANAGEMENT AND ADMINISTRATIVE SERVICES (hereinafter referred to as "Agreement") is effective on January 1, 2025, by and between the NORTH AMERICAN BLUEBERRY COUNCIL ("NABC") a Non-Profit Corporation duly organized pursuant to the laws of the state of Michigan (hereinafter referred to as "NABC"), and the UNITED STATES Highbush Blueberry Council, a federal research and promotion program created by to the Commodity Promotion, Research and Information Act of 1996 ("ACT") (7 U.S.C. 7401-7425, Pub. L. 104-127, 110 Stat. 1029) and any amendments thereto and governed by regulations of the U.S. Department of Agriculture (USDA) found at, 7 C.F.R. Part 1218 -1218.520 Blueberry Promotion, Research, and Information Order ("Order"), including Subparts A, B and C, (hereinafter referred to as "Council"), collectively referred to hereafter as "Parties."

**RECITALS**

WHEREAS, NABC and Council, as separate legal entities, carry on various activities throughout the year in accordance with the laws, bylaws, and procedures governing each.

WHEREAS, NABC understands and agrees that the Council is created by and therefore subject to the Commodity Promotion, Research and Information Act of 1996 ("ACT") (7 U.S.C. 7401-7425, Pub. L. 104-127, 110 Stat. 1029) and any amendments thereto. As such, the Council is governed by regulations of the U.S. Department of Agriculture found at, 7 C.F.R. Part 1218 -1218.520 ("Order"), including Subparts A, B and C, and in the execution of this Management and Administrative Services Agreement, NABC agrees that it is governed by and shall comply with the ACT and the Order.

WHEREAS, NABC and Council desire to increase the efficiency of their independent organizations which engage in related activities for the North American Blueberry industry.

WHEREAS, Council desires to retain the services of NABC for the purpose of managing the day to day activities of Council and NABC desires to provide these services.

NOW THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Agreement for Services. Council hereby retains NABC for the purpose of providing all reasonable and necessary services required to manage the day to day operations of the Council, including but not limited to supervising independent

contractors, said services described more fully in Exhibit “A”, attached hereto and incorporated herein, including utilizing additional resources when necessary, within approved budgetary guidelines, to accomplish the Council’s goals; and NABC hereby agrees to provide such services pursuant to the terms and conditions set forth herein.

The Council will operate and maintain its organizational headquarters at NABC’s offices located at 81 Blue Ravine Road, Suite 110 Folsom, CA 95630. NABC will provide infrastructure and facilities for the Council’s operations at this headquarters address.

Pursuant to this Agreement, and ratifying resolution of the Council and NABC Boards, while this Agreement is in effect the President of the North American Blueberry Council shall also be the President of the U.S. Highbush Blueberry Council.

Accordingly, NABC hereby designates the President of the NABC and Council, as the contract manager for the projects and activities managed by NABC pursuant to this Agreement. The contract manager shall be responsible for essential activities, including but not limited to: collection of assessments; maintaining assessments; collection and enforcement of records; compliance support, including FOIAs and verifications; preparation of Board meeting materials; accounting services; response to USDA requests for information, and the preparation of monthly, quarterly, and year-end financial reports. Additionally, the contract manager shall have the authority to hire and fire NABC employees and independent contractors for both organizations; the power to manage and direct the activities of those doing work for the Council; and the power to make Council expenditures within approved budgetary guidelines.

Notwithstanding any specific budgetary allocations set forth in the Council’s annual budget, the contract manager is authorized to reallocate funds between line items, followed by a budget amendment prior to the end of the year, provided that the total expenditure for each of the specified budgeted sections does not exceed the aggregate budgeted amount. Any over-expenditure on a particular line item may be approved and adjusted at the discretion of the contract manager, contingent upon the specified budgeted sections remaining within the approved total.

2. Fees and Expenses. Council shall pay to NABC a total fee not to exceed \$3,889,525 and expenses not to exceed \$12,734,825, to be paid on a monthly basis starting January 1, 2025. If the Council’s proposed annual budgeted expenditures are amended, then the NABC’s fees and expenses will also be adjusted accordingly.

NABC shall take all reasonable steps to ensure that Council expenses are paid directly from Council funds with corresponding contracts. However, to the extent any expenses are incurred, Council shall reimburse NABC for reasonable out-of-pocket expenses authorized by NABC in carrying out the services conducted pursuant to this Agreement. NABC shall provide Council with quarterly reports summarizing the progress of work and a financial accounting of costs and any additional expenses incurred by NABC during the previous 30 day period. Council shall pay such invoices within 30 days of receipt.

In addition, the Council shall be responsible for payment of all actual costs directly related to its activities, including payments to independent contractors, promotional and advertising materials, legal fees, and audits, which shall be paid directly from Council-specific accounts and funds. The contract manager shall have the authority to write checks from Council accounts for all such costs without Council Board approval for all amounts within approved budgetary guidelines. The Council shall be responsible for payment of all contracts executed by NABC for the benefit of the Council.

3. NABC retains the right to subcontract specific tasks to outside parties. Should the NABC elect to subcontract specific tasks, subcontractors will be subject to the same contractual terms as NABC in regard to reporting and record keeping, travel expenses, title of property, confidential information, influencing legislation and/or influencing governmental policy or action, and following Federal Civil Rights policies. Entering into a subcontract does not relieve the contractor of primary responsibility to carry out the terms and conditions of the underlying contract in accordance with the Act, Order, Regulations, and USDA policies. NABC will be fully responsible for the quality of all work products.

4. Separation of Organizations. The NABC and the Council acknowledge and agree that they are separate legal organizations, each with their own statutory duties and/or obligations to treat the confidential and proprietary information of each respective organization as such. The NABC and the Council further acknowledge and agree that there is a duty on the part of each organization not to commingle funds between the two organizations. To this end, the NABC agrees that it shall take all reasonable and necessary steps to keep both organizations separate so that the proprietary and confidential information from both organizations shall be kept separate and treated as such. The NABC will keep said material strictly confidential and use said material only for the exercise of appropriate activities in the due course of management and administration of its programs, such as invoicing of handlers, mailings to industry members, enforcement actions for collection of assessments, and/or compliance actions. The NABC further agrees that it will take all reasonable and necessary steps to ensure that commingling of NABC funds and Council assessments does not occur, such as, but not limited to, establishing separate bank accounts in the name of each organization and keeping separate financial records for each organization.

5. Term. This Agreement shall become effective as of January 1, 2025, when the USDA by separate instrument --which shall be attached to this Agreement as Exhibit A -- approves it. It shall remain in effect until December 31, 2025, unless amended. Work undertaken prior to contract approval by USDA Agricultural Marketing Service (AMS) is at the own risk of the NABC having been conducted on the oral approval of the Council. The Council is not financially liable if AMS does not approve the contract.

6. Termination. The Council and the USDA reserve the right, at their own discretion and for any reason deemed by them to be sufficient, to cancel or modify the

project after the date of contract signature. In such an event, it is agreed that the Council is liable for all commitments made prior to cancellation or modification and shall reimburse the NABC for all reasonable amounts due or owing in accordance with this contract at the time of said termination.

1. This agreement may be terminated:
  - a. By either party
    - 1) For material breach effective upon written notice to the breaching party, provided the non-breaching party shall first have given the breaching party written notice of the breach and the breaching party shall not within 30 days thereafter have cured the breach; and
    - 2) Without cause upon 90 days' prior written notice.
  - b. By Council, immediately, in the event the Secretary of Agriculture terminates the Order as permitted under the Order (defined as the Blueberry Promotion, Research and Information Order [7 U.S.C. 7401-7425] and accompanying Rules and Regulations appearing at 7 C.F.R. Pt. 1218).

2. Both parties shall continue their performance under this agreement during any notice period. Upon termination Council shall pay NABC for all performance rendered or obligation incurred under this agreement prior to the effective date of termination. After the effective date of the termination and Council has paid all compensation due NABC, NABC shall:

- a. Without extra compensation from Council for arranging assignment, assign to others as Council directs contracts of NABC with third parties entered into under this agreement but not yet fully performed and, upon assignment, Council will assume, and release NABC from, all obligations to those third parties under those contracts. If those third parties will not consent to assignment, NABC shall complete its performance under the contracts, and this agreement shall remain in effect with respect to those contracts until they are fully performed.
- b. Subject to its own rights and the rights of others, transfer to Council or its designee all property to which the Secretary of Agriculture as represented by Council has title.

7. Indemnification. Subject to paragraph 2 below, NABC will indemnify and hold Council harmless from and against all claims, demands and liabilities, including fines, penalties and interest thereon, unless such indemnification is prohibited by an agency of the Federal or State government or public policy, arising from any materials created by NABC or a contractor of NABC involving: alleged bodily or personal injury

(including libel, slander or defamation), injury to a competing product, copyright infringement, plagiarism, misappropriation or piracy of ideas, unfair trade or advertising practice, or violation of any applicable rule or regulation of any governmental agency (including rules concerning truth in advertising, substantiation of claims and similar rules of the Federal Trade Commission). Council's acceptance or approval of any materials pursuant to this Agreement shall in no respect affect NABC's obligation under this paragraph.

Council will indemnify and hold NABC harmless from and against all claims, demands and liabilities, including fines, penalties, and interest thereon, as explained above, that may arise from or be based on any material supplied to NABC by Council or on any improper or unproven product claim, product liability claim, test results or similar technical material furnished to NABC by Council and utilized by NABC specifically as provided.

Either party will promptly notify the other of any suit or other claim alleging any loss or damage for which the other party may be obligated to give indemnity pursuant to Paragraphs 1 and 2 above. Each party will deliver to the other a copy of the claim and all supporting documents submitted by the claimant. The party responsible for indemnity shall then at its expense undertake to defend, compromise, or otherwise dispose of the claim. The other party shall refrain from paying the claim pending conclusion of the proceedings. Each party will fully cooperate with the other in attempting to resolve any claim; provided, however, that neither party shall be obligated over its objection to participate in any disposition of any claim which, by judgment, consent order or in any other way (not including an order for the payment of money), would affect such party's business activities as they relate to products or services different from the product(s) or service(s) from which the claim arose.

The Council and NABC agree that no funds appropriated by the United States Government shall be used, made available, or sought by any party to pay any indemnification obligation or to meet any deficiency arising under or relating to this agreement.

8. Insurance Coverage. Council shall maintain, at its sole expense, the appropriate insurance coverage for the purpose of defending and indemnifying NABC and its officers, directors, employees, contractors and representatives from liability which may arise from the acts or omissions of Council. NABC shall maintain, at its sole expense, the appropriate insurance coverage for the purpose of defending and indemnifying the Council and its officers, directors, employees, contractors and representatives from liability which may arise from the acts or omissions of NABC.

9. No Partnership/Liability. The parties hereto acknowledge and agree that the relationship between NABC and Council is one of principal and independent contractor and no other. Nothing contained in this Agreement shall create or be construed as creating a partnership, joint venture, employment relationship or any other relationship except as set forth between the parties. The parties specifically

acknowledge and agree that NABC is not a partner with Council, whether general or limited, and no activities of NABC or Council or statements made by NABC or Council shall be interpreted by any of the parties hereto as establishing any type of relationship other than that of principal and independent contractor.

10. Records and Audits. NABC agrees to maintain adequate records itemizing the receipt and expenditure of all Council funds paid pursuant to this Agreement and to make all such records available upon request to representatives of Council or the USDA for inspection and/or audit at least once during each fiscal period covered by the term of this Agreement and for a period of seven years after its termination. NABC shall permanently keep records for the Council's accounts, legal issues, congressional mandates and promotional items identified by a retention schedule approved by USDA. Audits conducted pursuant to this, and the following section shall be conducted during normal business hours and at the expense of Council or the U.S. Department of Agriculture. Council or the United States Department of Agriculture shall provide reasonable notice of materials selected for audit inspection.

NABC agrees to include in all subcontracts hereunder a provision to the effect that designated representatives of Council and/or the USDA shall have, during the period of each subcontract and for three years after termination thereof, access to and the right to examine any books, documents, papers, and records of such subcontractor, relevant to transactions under the subcontract.

11. Ownership, Copyrights/Trademarks of Others, Sponsorship

a. Ownership. Property such as patents, copyrights, inventions, publications, or product formulations (other than property previously owned by NABC or another entity) developed or acquired in whole or part with funds from Council under this Agreement shall be the property of the Secretary of Agriculture as represented by Council and NABC shall take reasonable steps to protect that ownership.

b. Copyrights/Trademarks of Others. NABC shall obtain all permissions required for use of any copyrights or trademarks owned by other persons in projects performed under this Agreement.

c. Sponsorship. NABC shall include appropriate sponsor signature, copyright and trade or service mark on all materials produced with funds from Council under this Agreement.

12. Confidentiality. NABC, its officers, directors, employees, and agents shall maintain the confidentiality of confidential information, including information obtained from books, records, reports, or other Order related activities, that the Council has disclosed to them in those capacities. The confidential information will be used solely for completing services for or on behalf of the Council and not for any other purpose. NABC shall indemnify Council from damages to Council resulting from their misuse of such

confidential information. Specifically, NABC shall comply with section 1218.62 of the Order as it applies to confidential information.

13. Rights Reserved to Council. Council expressly reserves the right, at its own discretion, and for any reason deemed by it to be sufficient, to modify or reject any schedules, plans and/or materials submitted by NABC, and to direct NABC to cease work in connection therewith and in such case, NABC shall immediately notify all publishers, printers, engravers, artists, designers, or other third parties, including appropriate NABC staff, engaged in carrying out such schedules, plans and/or materials, to cease work thereon. It is agreed that Council shall reimburse NABC for all costs and expenses incurred by NABC and approved by Council, and for all charges and liabilities incurred in good faith by NABC in carrying out such cancellation or modification pursuant to Council's instructions, all in accordance with the provisions of this Agreement.

14. Employment Provisions. The NABC agrees that, during the performance of this Agreement, it shall not discriminate against any employee or applicant for employment because of race, color, national origin, sex, religion, age, gender identity (including gender expression), disability, political beliefs, sexual orientation, protected genetic information, income derived from a public assistance program, parental status, marital or family status, or reprisal or retaliation for prior civil rights activity. (Not all bases apply to all programs.) The NABC agrees that it will fully comply with any and all applicable Federal, State, and local equal employment opportunity statutes, ordinances, and regulations, including, but not limited to, Executive Order 11246 (Equal Employment Opportunity); Title VII of the Civil Rights Act of 1964; the Americans with Disabilities Act of 1990; the Age Discrimination in Employment Act of 1967; Genetic Information Act of 2008; and the Equal Pay Act of 1963. Nothing in this section shall require NABC to comply with or become liable under any law, ordinances, regulation, or rule that does not otherwise apply to the NABC.

15. Notices. All notices and other communications hereunder shall be deemed to have been given when delivered personally, at the time confirmed for delivery if by facsimile, or if mailed, at the time deposited in the United States mail or with an express mail service, postage prepaid and addressed as follows:

**North American Blueberry Council**  
81 Blue Ravine Road, Suite 110  
Folsom, CA 95630

**U.S. Highbush Blueberry Council**  
81 Blue Ravine Road, Suite 110  
Folsom, CA 95630

The parties hereto may change their address as set forth in this paragraph by providing the other party with written notice thereof.

16. Amendments. No change, amendment or modification of this Agreement shall be valid unless in writing and signed by the parties hereto.

17. Assignment. This Agreement may not be assigned or transferred by either party to any third party without the prior written consent of the other party.

18. Attorney's Fees and Venue. If an action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs in addition to any other reasonable relief to which it may be entitled. With respect to any suit, action or proceeding arising out of or related to this Agreement, or the documentation related hereto, the parties hereby submit to the jurisdiction and venue of the appropriate court in the County of Sacramento, State of California for any proceeding arising hereunder.

19. Sole and Only Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to their rights and obligations hereunder. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or in writing, have been made by any party or anyone acting on behalf of any party, which are not embodied in this Agreement and no other agreement, statement or promise shall be valid or binding.

20. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

21. Binding on Successors. This Agreement shall be binding on and inure to the benefit of the respective heirs, personal representatives, successors and assigns of the parties hereto.

22. Governing Law. This Agreement shall be construed and governed pursuant to the laws of the State of California. NABC specifically recognizes and agrees that management of the Council requires adherence to the Act and Order.

23. Influencing Governmental Policy; Improper Benefit or Solicitation. No funds advanced or paid by Council to NABC shall be used in any manner for the purposes of influencing legislation or governmental policy or action. No member of, or delegate to, Congress, shall be admitted to any share or part of this contract or to any benefit to arise therefrom. NABC warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by NABC for the purpose of securing business. For breach or violation of this warranty, Council shall have the right to annul this Agreement, with liability, or, in its discretion, to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the day and in the year set forth above.

**NORTH AMERICAN BLUEBERRY COUNCIL**

By: \_\_\_\_\_  
\_\_\_\_\_, Chair

Date: \_\_\_\_\_

**U.S. Highbush Blueberry Council**

By: \_\_\_\_\_  
\_\_\_\_\_, Chair

Date: \_\_\_\_\_

## EXHIBIT A: Services, Fees, and Expenses

NABC will maintain the Council's business office, which includes managing the day-to-day operations and all correspondence and financial affairs of the Council. The NABC will also assist in the planning and implementation of the annual Council budget and carry out Council programs in accordance with the approved budget. In addition to developing and executing market promotion plans in both the domestic and international market, the NABC will also handle the collection and disbursement of Council assessment funds and work to maintain Council compliance.

- 1. Market Promotion & Publicity: Total management fees not to exceed \$1,800,000 and program expenses not to exceed \$5,746,500**
  - a. Services include managing the following programs and activities: Domestic Consumer Publicity; Domestic Health Professional; Food Service; Food Manufacturing; American Heart Association Certification; Digital Ecosystem; Retail, and Unallocated Market Promotion & Publicity.
  
- 2. Export Market Promotion: Total management fees not to exceed \$850,000 and program expenses not to exceed \$2,866,575**
  - a. Services include managing the following programs and activities: Global Food Manufacturing Program; Export Consumer Promotion; USDA Grant Program Expenditures; Technical Export Assistance; Comprehensive Blueberry MRL Memo; MRL Trade Monitoring; and Unallocated Export Market Promotion.
  
- 3. Health Research & Nutrition: Total management fees not to exceed \$300,000 and program expenses not to exceed \$603,000**
  - a. Services include managing the following programs and activities: Grant Management Program; Research Programs; Blueberry Research Bank; Sponsorships; Blueberry Researcher Meeting; Research Screeners & Advisory; Pointer Study Rebate; Nourish Study Blueberries; and Nutrition Projects.
  
- 4. Industry Relations: Total management fees not to exceed \$330,000 and program expenses not to exceed \$728,000**
  - a. Services include managing the following programs and activities: Industry Communications; Election Material Prep & Distribution; Association Memberships; Industry Leadership Development; Grower Incentive Print and Ship; Association Management Systems; and Vision & Strategic Planning.

5. **Data & Measurement: Total management fees not to exceed \$280,000 and program expenses not to exceed \$745,000**
  - a. Services include managing the following programs and activities: Data Research and Analysis; and Data Subscriptions.
  
6. **Good Practices: Total management fees not to exceed \$13,000 and program expenses not to exceed \$50,000**
  - a. Services include managing the following programs and activities: Food Safety & Sustainability; and Crisis Management.
  
7. **Blueberry Technology: Total management fees not to exceed \$30,000 and program expenses not to exceed \$175,000**
  - a. Services include managing the following programs and activities: Technology Programs.
  
8. **NABC Management & Administrative Services: Total agency fees of \$286,525. The agency fee is calculated at 1.75% of the Council's proposed total annual budgeted expenditures, excluding USDA AMS administration fees, U.S. Office of General Counsel fees, and NABC agency fees. If the budgeted expenditures are amended, any increases will incur a 1.75% agency fee. In the case of a budget decrease, the minimum agency fee will be \$250,000.**
  - a. Services include managing the following activities:
    - i. USDA Interface and Reporting: Work with USDA/AMS in administering the USHBC program; Provide USDA/AMS with all necessary documentation.
    - ii. Council Functions: Assessment collection and Council program compliance; Completion of all reports required by USDA/AMS; Planning and supervision of all Council meetings (scheduling, agendas, minutes); Initiation and management of all Council member elections.
    - iii. Accounting Functions: Maintenance of Council financial records and performance of bookkeeping, accounting, and audit functions; Preparation and distribution of all Council financial reports, including income/expenditure statements, assessment collection reports, and cash flow reports, etc.; Investment and management of Council funds.
  
9. **General Expenses: Total expenses not to exceed \$572,000**
  - a. Expenses include: Office Rent, Insurance & Taxes; Subscriptions, Printing, Office Expenses & Supplies; Phone & Fax; Computer IT Services; Equipment Repairs & Maintenance; Equipment Rental; Postage & Shipping; Offsite Document Storage; and Bank Charges.

**10. Operating Expenses: Total expenses not to exceed \$70,000**

- a. Expenses include: Legal Council Fees. Audit fees are directly billed to USHBC.

**11. Travel & Meeting Expenses: Total expenses not to exceed \$1,178,750**

- a. Expenses include: Travel and Meetings.

September 27, 2024

Chair Hartmann and distinguished council members,

It is my privilege to submit the 2025 USHBC budget for the council's consideration. In my sixth year as your president, and working with our new finance and administrative staff, I am happy to present a budget that accurately reflects the nature of our business and will help facilitate decision-making for the council. As with all prior budgets, we have developed the recommended yearly spending plan with the council's fiscal policies at the forefront of our minds, and in a manner that supports the council's adopted strategic plan. In 2021, during the pandemic, the council worked with David Rockland on a thorough process for updating the organization's strategic plan. The outcomes of that work session were presented to the council for review and adoption on September 30, 2021.

The council's strategic pillars within the strategic plan include:



This proposed budget is being considered in an uncertain economic climate, with seemingly ongoing structural adjustments as we emerge from the COVID-19 pandemic, navigate a changing workforce and cope with national uncertainties. In general, our industry has been through some very challenging times, including navigating the nearly three-year pandemic, managing through recent weather-related issues and grappling with increasing mandates. USHBC has experienced these as well in the form of financial repercussions in 2023, and has been in recovery mode ever since. As your president, a key goal of this recommended budget is to ensure we live within our means and match ongoing expenses with ongoing revenues in a conservative approach that maintains essential services to preserve and enhance the blueberry industry. In addition, we have been employing an "inside-out" approach to increasing the number of employees serving the council, and reducing the number of external consultants. This will help create a committed staff that can build a level of institutional knowledge that ensures our revenue output is sustainable on a year-to-year basis and provides operational continuity.

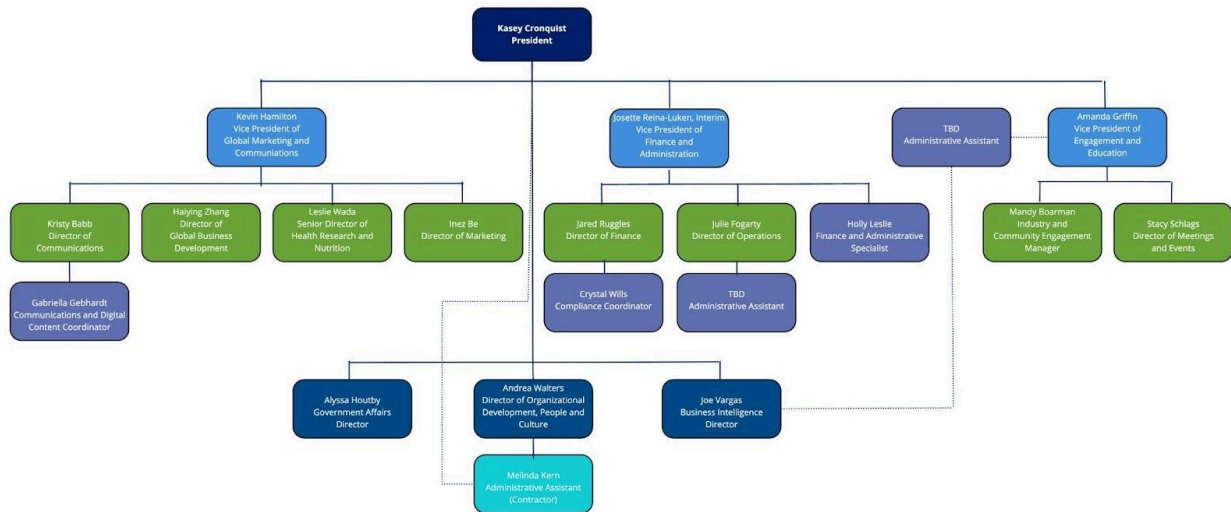
In developing the budget proposed for the 2025 fiscal year, we are using a new approach that was requested by the USDA. This new format reflects NABC as the financial administrator and sole employer of record for staff. All staff and shared expenses flow through NABC's budget, and are then reimbursed by USHBC. Staff costs are now deemed contractor services to USHBC, and reflected as an "agency fee." For this reason, several budget categories will

appear to have dramatically increased or decreased. The NABC agency fee has also been adjusted to reflect NABC’s role, and for current market value. In August, a joint task force of both Executive Committees and Finance Committees of USHBC and NABC met to modernize the management agreement and determine a new methodology for setting the agency fee NABC receives for its services going forward. That methodology was reviewed again by both Finance Committees independently, and was approved.

The expenditure budget base, upon which the proposed budget has been developed, starts with the FY 2024 budget, including any modifications to date. Anticipated revenues for the next fiscal year are then estimated using current year-to-date figures as the starting point, along with information from a variety of sources, to provide as realistic and accurate figures as possible. We also endeavor to identify those portions of our revenue stream that may be of an uncertain nature and estimate conservatively based on our receivables collection percentage.

The proposed budget assumes an increased level of expenses, notably staffing, as provided for in the current year since several vacant positions have been filled, two contractor positions are now permanent staff positions, and two new positions were added (director of marketing and one administrative assistant).

NABC’s staffing structure:



Departments also submit a well-scrutinized level of operations and maintenance line items that are incorporated into the proposed budget. Finally, unavoidable cost increases are added to the prior year’s budget expenditures so that projected revenues can be compared to projected expenditures to determine if an operating surplus or deficit exists. At this time, an operating surplus is projected and will be added to the ongoing net asset ending balance, which also serves as an operational reserve fund. Although USDA encourages a reserve fund balance equal to a year of expenses, it is our intention to create a reserve fund that can cover

contractual obligations in addition to one year of operating expenses to safeguard staff jobs. In 2025, this equates to approximately a minimum of 42% of USHBC's budget. Currently, USHBC has 24% coverage. Having a reserve balance at this level ensures there are no cash flow issues, interest earnings are generated, and that there are positive impacts from a credit and ratings perspective. In addition, reserves provide maneuvering room and the ability to respond in systematic and strategic ways to significant impacts or a natural disaster. The 2024 fiscal year ended with a positive contribution to net assets as revenues were higher than anticipated and budgeted expenses were less than planned.

My team and I are pleased to recommend a budget that reflects the council's priorities and supports what makes USHBC uniquely positioned to accomplish for *all* what no one organization could accomplish alone. I look forward to the council's review and any deliberation of the budget plan for 2025, and to continuously improving how we operate and enhancing our service delivery and programs.

Kind Regards,

Kasey Cronquist  
President



**U.S. Highbush Blueberry Council  
2025 PROPOSED ANNUAL BUDGET SUMMARY**

	<b>2024 Budget Amendment #1 Approved</b>	<b>2025 Budget Proposed</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
<b>Revenue</b>				
Domestic Crop Assessments	\$ 4,700,000	\$ 5,400,000	\$ 700,000	14.9%
Foreign Crop Assessments	6,400,000	7,000,000	600,000	9.4%
Grant Revenue	711,476	2,027,175	1,315,699	184.9%
Contributions	2,250,000	2,550,000	300,000	13.3%
Other Revenue	125,000	142,000	17,000	13.6%
<b>Total Revenue</b>	<b>\$ 14,186,476</b>	<b>\$ 17,119,175</b>	<b>\$ 2,932,699</b>	<b>20.7%</b>
<b>Program Expenses</b>				
Market Promotion & Publicity	\$ 4,553,905	\$ 7,546,500	\$ 2,992,595	65.7%
Export Market Promotion	1,794,026	3,716,575	1,922,549	107.2%
Health Research & Nutrition	501,750	903,000	401,250	80.0%
Industry Relations	598,000	1,058,000	460,000	76.9%
Data & Measurement	725,750	1,025,000	299,250	41.2%
Good Practices	50,000	63,000	13,000	26.0%
Blueberry Technology	125,000	205,000	80,000	64.0%
<b>Total Program Expenses</b>	<b>\$ 8,348,431</b>	<b>\$ 14,517,075</b>	<b>\$ 6,168,644</b>	<b>73.9%</b>
<b>Other Expenses</b>				
USHBC Program Fees	\$ 343,000	\$ 509,525	\$ 166,525	48.5%
General Expenses	502,500	572,000	69,500	13.8%
Operating Expenses	3,101,200	105,000	(2,996,200)	-96.6%
Travel and Meeting Expenses	1,188,500	1,178,750	(9,750)	-0.8%
<b>Total Other Expenses</b>	<b>\$ 5,135,200</b>	<b>\$ 2,365,275</b>	<b>\$ (2,769,925)</b>	<b>-53.9%</b>
<b>Total Expenses</b>	<b>\$ 13,483,631</b>	<b>\$ 16,882,350</b>	<b>\$ 3,398,719</b>	<b>25.2%</b>
Change in Net Assets	\$ 702,845	\$ 236,825	\$ (466,020)	-66.3%
Net Assets, Beginning	\$ 2,477,674	\$ 3,856,387	\$ 1,378,713	55.6%
<b>Net Assets, Ending</b>	<b>\$ 3,180,519</b>	<b>\$ 4,093,212</b>	<b>\$ 912,693</b>	<b>28.7%</b>



**U.S. Highbush Blueberry Council  
2025 PROPOSED ANNUAL BUDGET - PROGRAM EXPENSES**

	<b>2024 Budget Amendment #1 Approved</b>	<b>2025 Budget Proposed</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
<b>Market Promotion &amp; Publicity</b>				
Domestic Consumer Publicity	\$ 2,314,367	\$ 3,483,825	\$ 1,169,458	50.5%
Domestic Health Professional	368,038	-	(368,038)	-100.0%
Food Service	225,000	540,000	315,000	140.0%
Food Manufacturing	208,000	200,000	(8,000)	-3.8%
American Heart Association Cert.	3,500	3,500	-	0.0%
Digital Ecosystem	115,000	400,000	285,000	247.8%
Retail	1,220,000	1,000,000	(220,000)	-18.0%
Unallocated Market Promotion	100,000	119,175	19,175	19.2%
Marketing Promotion & Publicity Management		1,800,000	1,800,000	
<b>Total Market Promotion &amp; Publicity</b>	<b>\$ 4,553,905</b>	<b>\$ 7,546,500</b>	<b>\$ 2,992,595</b>	<b>65.7%</b>
<b>Export Market Promotion</b>				
Global Food Manufacturing Programs	\$ -	\$ -	\$ -	0.0%
Export Consumer Promotion	988,550	632,000	(356,550)	-36.1%
USDA Grant Program Expenditures	711,476	2,027,175	1,315,699	184.9%
Technical Export Assistance	-	50,000	50,000	0.0%
Comprehensive Blueberry MRL Memo	-	20,500	20,500	0.0%
MRL Trade Monitoring	-	76,900	76,900	0.0%
Unallocated Export Market Promotion	94,000	60,000	(34,000)	-36.2%
Export Market Promotion Management		850,000	850,000	
<b>Total Export Market Promotion</b>	<b>\$ 1,794,026</b>	<b>\$ 3,716,575</b>	<b>\$ 1,922,549</b>	<b>107.2%</b>
<b>Health Research &amp; Nutrition</b>				
Grant Management Program	\$ 13,750	\$ -	\$ (13,750)	-100.0%
Research Programs	133,000	233,000	100,000	0.0%
Blueberry Research Bank	125,000	95,000	(30,000)	-24.0%
Sponsorships	4,000	15,000	11,000	275.0%
Blueberry Researcher Meeting	60,000	20,000	(40,000)	-66.7%
Research Screeners & Advisory	37,500	20,000	(17,500)	-46.7%
Pointer Study Rebate	28,000	15,000	(13,000)	-46.4%
Nourish Study Blueberries	10,500	15,000	4,500	42.9%
Nutrition Projects	90,000	190,000	100,000	111.1%
Unallocated Health Research	-	-	-	0.0%
Health Research Management		300,000	300,000	
<b>Total Health Research &amp; Nutrition</b>	<b>\$ 501,750</b>	<b>\$ 903,000</b>	<b>\$ 401,250</b>	<b>80.0%</b>



**U.S. Highbush Blueberry Council  
2025 PROPOSED ANNUAL BUDGET - PROGRAM EXPENSES**

	<b>2024 Budget Amendment #1 Approved</b>	<b>2025 Budget Proposed</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
<b>Industry Relations</b>				
Industry Communications	\$ 208,000	\$ 220,000	\$ 12,000	5.8%
Election Material Prep & Distribution	15,000	18,000	3,000	20.0%
Association Memberships	35,000	40,000	5,000	14.3%
Industry Leadership Development	150,000	175,000	25,000	16.7%
Assessment Collection Expenses	50,000	50,000	-	0.0%
Association Management Systems	35,000	125,000	90,000	257.1%
Vision & Strategic Planning	105,000	100,000	(5,000)	-4.8%
Industry Relations Unallocated	-	-	-	0.0%
Industry Relations Management		330,000	330,000	
<b>Total Industry Relations</b>	<b>\$ 598,000</b>	<b>\$ 1,058,000</b>	<b>\$ 460,000</b>	<b>76.9%</b>
<b>Data &amp; Measurement</b>				
Data Research and Analysis	\$ 437,000	\$ 445,000	\$ 8,000	1.8%
Data Subscriptions	288,750	300,000	11,250	3.9%
Data Unallocated	-	-	-	0.0%
Data & Measurement Management		280,000	280,000	
<b>Total Data &amp; Measurement</b>	<b>\$ 725,750</b>	<b>\$ 1,025,000</b>	<b>\$ 299,250</b>	<b>41.2%</b>
<b>Good Practices</b>				
Food Safety & Sustainability	\$ 50,000	\$ 50,000	\$ -	0.0%
Crisis Management	-	-	-	0.0%
Good Practices Management		13,000	13,000	
<b>Total Good Practices</b>	<b>\$ 50,000</b>	<b>\$ 63,000</b>	<b>\$ 13,000</b>	<b>26.0%</b>
<b>Blueberry Technology</b>				
Technology Programs	\$ 125,000	\$ 175,000	\$ 50,000	40.0%
Blueberry Technology Unallocated	-	-	-	0.0%
Blueberry Technology Management		30,000	30,000	
<b>Total Blueberry Technology</b>	<b>\$ 125,000</b>	<b>\$ 205,000</b>	<b>\$ 80,000</b>	<b>64.0%</b>
<b>Total Program Expenses</b>	<b>\$ 8,348,431</b>	<b>\$ 14,517,075</b>	<b>\$ 6,168,644</b>	<b>73.9%</b>