

**U.S. Highbush Blueberry Council  
Meeting Minutes  
February 28, 2014**

Chairman Parm Bains called the meeting of the U.S. Highbush Blueberry Council (USHBC) to order at 8:10am on Friday, February 28, 2014. The first order of business was roll call by USHBC Secretary Shelly Hartmann. The following USHBC members, as well as USDA representative Maureen Pello and USHBC staff members Mark Villata, Whitney Mustin and Mary Nezbeth, attended the meeting, held at the Hyatt Westlake Plaza in Westlake Plaza, California:

|                                |                                       |
|--------------------------------|---------------------------------------|
| Doug Perkins (California)      | Bill Braswell (Region 4)              |
| John Bennett (Georgia)         | Guy Cotton (Handler)                  |
| Bob Carini (Michigan)          | Stan Crafton (Importer #1)            |
| Tim Wetherbee (New Jersey)     | Brian Bocock (Importer #2)            |
| Steve Erickson (Oregon)        | Parm Bains (Importer #3)              |
| Bryan Sakuma (Washington)      | Felipe Juillerat (Exporter Alternate) |
| Mark Hurst (Region 1)          | Amy Howell (Public Member)            |
| Shelly Ann Hartmann (Region 2) |                                       |

Following roll call Chairman Bains requested an introduction of USHBC Members and Alternates and audience members. Next was the seating of the USHBC Chairman and Officers for 2014, they are:

Parm Bains – Chairman  
Dave Arena – Vice Chairman  
Mark Hurst – Treasurer  
Shelly Hartmann – Secretary  
Art Galletta – Past Chairman

Agenda item two was the consideration of any additions to the current meeting agenda. Hearing none, the meeting moved to the next order of business which was the approval of minutes from the last Council meeting held on October 4, 2013. Minutes had been emailed to members and alternates following the October meeting. Mark Hurst moved, with a second from Tim Wetherbee, to approve the minutes as written. The motion carried.

Due to a scheduling conflict, the update from the Health Research Committee was moved up. Chairman Bains called upon Health Research Committee Chairman Dave Brazelton for his report. Brazelton noted that the committee met on Monday, February 24<sup>th</sup> for a pre-meeting to review its strategy going forward due to the increase in assessments, handle administrative details and review off-cycle health research proposals. He noted that the committee is going to begin a yearly funding cycle opposed to its current cycle of funding projects every other year. With the change in the funding the cycle, the committee will also revise its Request for Proposal (RFP) cycle which will start in November of each year and end with final selection of projects in the spring. He continued his report noting that the committee felt an additional meeting each year would be beneficial to the committee and will allow the committee to review research proposals and handle other administrative needs. The committee will also be expanding the number of research project screeners currently used due to the potential increase in project submissions. The committee will focus on recruiting screeners who are experienced with the specific areas of research we are focusing on allowing them to review the processes the researchers are proposing. Brazelton also noted the committee will begin working on plans for a Researcher Roundtable event, which will bring together a group of current and past USHBC funded researchers to collaborate and share ideas related to blueberry research. This roundtable would coincide with the committee's off-site meeting held in the spring. He noted that there are currently eighteen research projects currently funded and in process. The committee also reviewed three off-cycle proposals and decided to fund two projects. The first project is a study

with Dr. Daniel Hwang of the USDA Western Human Nutrition Center totaling \$125,551 and an epidemiological study with Dr. Howard Sesso of Brigham Women's and Harvard Medical totaling \$85,000. The addition of these two studies and a reallocation of funds to the Blueberry Research Bank to cover shipping costs, reduced the committee's unallocated reserve to \$53,997 while the overall Health Research Budget remains unchanged at \$395,500.

Tim Wetherbee moved, with a second from Stan Crafton to approve the Health Research Committee report and recommendations. The motion carried.

The meeting then moved to the fourth agenda item which was an update from the USDA Agricultural Marketing Service by Maureen Pello. Pello began by welcoming the newly elected members. She then noted that the Farm Bill had been passed and the USHBC should be notified of its FAS funding soon. She also noted that there is verbiage in the Farm Bill that will allow for a change to the organic exemption. This would allow growers to claim an organic exemption on the portion of their crop this organic whereas now their entire operation is required to be organic. The rule making process to enact this change will now begin. Pello then noted that the USDA held an Agricultural Outlook Forum the previous week. USHBC member Shelly Hartmann attended the event and provided a brief update on her experience noting that diversity was an area of discussion and how encouraging young members of our industry to take part in the USHBC could help accomplish diversity goals. Pello then presented an overview of USDA Marketing and Promotion programs, a review of the USHBC order, background on USDA's oversight, and member responsibilities.

The meeting continued with committee reports and recommendations. Bains called upon Finance Committee Chairman Mark Hurst to present the report from his committee meeting on February 26. Hurst noted that the USHBC Finance Committee meeting opened with a review of our 2013 audit. Jeff Delyser from our audit firm Propp, Christensen and Caniglia (PCC) gave his report to the committee via conference call. His review of financial statements showed no findings and the USHBC reviewed a clean audit. noted copies of the audit will be made available to all USHBC members and alternates following today's meeting. Hurst continued his report by reviewing the USHBC cash position and expenditures for 2013 noting assets totaled \$4,905,103 as of the end of 2013 compared to \$4,239,446 at the same point last year while liabilities total \$4,674,287 compared to \$3,416,538 in 2012 (see Exhibit #1). In 2013 the USHBC spent a total of \$5,145,192 out of a total budget of \$5,289,092 (see Exhibit #2). All categories came in under budget with the exception of Travel & Meeting Expenses. Out of this expenditure, 91% was allocated to marketing related costs and 9% to administration. Hurst continued noting that the committee reviewed assessment collections on both the 2012 and 2013 crops and has collected on 91% of the 2012 domestic crop and a total of \$2,926,255 on the 2013 crop to date. Based on cash at the end of the year, accounts receivable and calendar year 2014 import assessments, less accounts payable, the committee projects a total of \$5,288,377 available for 2014. The decrease in the total budget from the October 2013 meeting is due to an estimated decrease in import assessments from Chile.

The committee reviewed the 2014 budget approved at the last meeting and has made some line item adjustments due to the decrease in the budget and recommended revised NABC and USHBC budget allocation splits (see Exhibit #3), from the amount approved at the October 2013 meeting. With these revisions, budget categories will now be allocated as follows:

|                                |             |
|--------------------------------|-------------|
| Market Promotion and Publicity | \$3,670,932 |
| Health Research                | \$ 395,500  |
| Industry Relations             | \$ 77,000   |
| Good Practices                 | \$ 87,250   |
| USHBC Program Fees             | \$ 226,000  |
| General Expenses               | \$ 116,705  |
| Administration Expenses        | \$ 462,739  |

|                             |                  |
|-----------------------------|------------------|
| Travel and Meeting Expenses | \$ 207,300       |
| <u>Uncommitted Expenses</u> | <u>\$ 44,951</u> |
| TOTAL                       | \$5,288,377      |

Mark Hurst moved, with a second from Bob Carini to approve the finance report, recommendations and the revised budget as noted in Exhibit #4. The motion carried.

Hurst then requested approval of the following individuals as check signers for the USHBC:

Mark Villata – Executive Director  
 Parm Bains – USHBC Chairman  
 Mark Hurst – USHBC Treasurer and USHBC Finance Committee Chairman  
 Lorrie Merker – USHBC Assistant Treasurer

Tim Wetherbee moved, with a second from Shelly Hartmann to approve the check signers as presented. The motion carried.

Next, Industry Relations Chairman Francisco Allende gave a report from his committee meeting on February 27. He noted the committee reviewed and updated actions taken to date as related to their committee strategic plan. He noted that the committee is on track to meet their goals by 2017 however Amerilert signups are low. The committee is taking efforts to increase the number of signups. Allende then introduced the individuals attending the meeting under the Ambassador Program; Eric Marthedal, California; Eric Reiter, California; Donna Miller, Florida; Will Gerry, California; and Brenton Roy, Washington. He continued his report noting that the committee reviewed the new format of the Bluespaper. It was determined they would continue the Bluespaper in the email format to allow for tracking of opens and links. He then noted that the committee approved a Meeting Location Selection Policy (see Exhibit #5).

Francisco Allende moved, with a second from Tim Wetherbee to approve the Industry Relations Committee report and meeting policy as presented. The motion carried.

Mark Hurst noted that the Ambassador Program should be expanded to include younger growers. Shelly Hartmann noted that MBG has established a Young Cooperators Program and will be submitting some of their names to attend the fall meetings.

Denny Doyle then presented the Good Practices Committee report from their meeting held on February 26. Doyle noted that the committee reviewed its strategic plan goals and is on track. Doyle noted that the committee reviewed our issue management plan and media training progress with Norm Hartman. He noted that media training is becoming increasingly popular and Norm was booking space for the fall meetings in Chicago. The committee then reviewed a RFP packet and noted a subcommittee was formed to finalize the RFP packet and to identify new areas of research that may be funded by the committee. He also reported the committee discussed MRL's and will continue their discussion at its next meeting. Doyle continued his report noting that additional rules related to the Food Safety Modernization Act (FSMA) will be released and staff will work with Juan Silva to prepare a comment to the rule from NABC.

Tim Wetherbee moved, with a second from Doug Perkins to approve the Good Practices Committee report as presented. The motion carried.

Prior to the promotion committee update, Chairman Bains thanked the Promotion Committee and the agencies for their efforts in their presentation at the meetings.

Next, Promotion Committee Chairman Kirk McCreary gave a report from his committee meeting held on February 27. McCreary began his report by thanking Padilla/CRT and Tom Payne for their work. He then noted the committee reviewed its strategic plan goals and the committee will be reviewing revisions to some goals in the coming weeks. McCreary noted that the committee reviewed its 2014 budget and noted that line item changes were made to fund consumer programs and food manufacturer programs from the committee's unallocated reserve. These new programs deal with baking and smoothie use to help support frozen industrial and frozen polybag use by consumers. The committee also reviewed export programs. Tom Payne noted that MAP funding allocations are still pending however once a funding decision is made a conference call of the export subcommittee will be held to discuss the allocations and to begin work on the 2015 MAP program submission.

McCreary continued his report noting that the committee has reviewed Usage & Attitude studies completed from this past year and previous years and this data has allowed the committee to establish baseline numbers to help measure its programs.

He then noted that the committee held a panel discussion following its meeting on February 27 featuring USHBC spokesperson Alison Sweeney, University of Southern California Executive Chef Eric Ernest and California blueberry grower Tom Avinelis. Media coverage of this presentation is expected over the next few days.

Upon conclusion of the Promotion Committee report, Mark Hurst moved, with a second from Steve Erickson to accept the Promotion Committee report and recommendations as presented. The motion carried.

The next item on the agenda was consideration of 2014 budget modifications and finalization of the 2014 budget. Mark Villata noted that all modifications to the budget were reflected in the budget presented in Exhibit #4.

Next, Mechanical Harvesting Subcommittee Chairman Rod Cook provided an update on the activities taken during year one of the BIRD (Blueberry Impact Recording Device) project. He noted that one primary objective was to reduce the size of the BIRD device which researchers were able to complete. Researchers then began looking at damage caused by mechanical harvesting and handling as they related to specific varieties. Researchers have begun publishing papers on their research results and interest in this study is increasing. The project is now entering year two and the subcommittee will need to begin discussing possible additional funding for these types of projects in the future.

The next item on the agenda was questions and comments from the floor. Bains thanked the California Blueberry Commissions, Will Gerry and Eric Reiter for their help with the meetings. He also thanked David Munger and family for the fresh blueberries used during the meetings.

Bains closed the meeting noting that the next USHBC meeting will be held October 1 to October 3, 2014 in Chicago, Illinois.

There being no further business Tim Wetherbee moved, with a second from Stan Crafton, to adjourn the meeting. The motion carried and the meeting of the USHBC was adjourned at 9:34am.

**EXHIBIT #1**

**U.S. Highbush Blueberry Council**  
**Balance Sheet**  
As of December 31, 2013

|  | <u>Dec 31, 13</u>          | <u>Dec 31, 12</u>          | <u>\$ Change</u>         | <u>% Change</u>     |
|--|----------------------------|----------------------------|--------------------------|---------------------|
| <b>ASSETS</b>                          |                            |                            |                          |                     |
| <b>Current Assets</b>                  |                            |                            |                          |                     |
| <b>Checking/Savings</b>                |                            |                            |                          |                     |
| 100.00 · EL DORADO SAVINGS BANK        | 28,876.93                  | 37,439.25                  | -8,562.32                | -22.87%             |
| 105.00 · EL DORADO SAVINGS CD          | 456,970.43                 | 456,241.77                 | 728.66                   | 0.16%               |
| 110.00 · SAVINGS ACCOUNT               | 4,154,819.75               | 3,591,361.39               | 563,458.36               | 15.69%              |
| <b>Total Checking/Savings</b>          | <u>4,640,667.11</u>        | <u>4,085,042.41</u>        | <u>555,624.70</u>        | <u>13.6%</u>        |
| <b>Accounts Receivable</b>             |                            |                            |                          |                     |
| 120.05 · DUE FROM NABC                 | 2,630.76                   | 0.00                       | 2,630.76                 | 100.0%              |
| 120.00 · ACCOUNTS RECEIVABLE           | 78,246.22                  | 332.34                     | 77,913.88                | 23,444.03%          |
| 120.10 · ACCOUNTS RECEIVABLE IMPORT    | 147,948.71                 | 137,069.33                 | 10,879.38                | 7.94%               |
| <b>Total Accounts Receivable</b>       | <u>228,825.69</u>          | <u>137,401.67</u>          | <u>91,424.02</u>         | <u>66.54%</u>       |
| <b>Other Current Assets</b>            |                            |                            |                          |                     |
| 145.00 · PROMOTIONAL MATERIAL          | 28,649.68                  | 8,853.00                   | 19,796.68                | 223.62%             |
| <b>Total Other Current Assets</b>      | <u>28,649.68</u>           | <u>8,853.00</u>            | <u>19,796.68</u>         | <u>223.62%</u>      |
| <b>Total Current Assets</b>            | <u>4,898,142.48</u>        | <u>4,231,297.08</u>        | <u>666,845.40</u>        | <u>15.76%</u>       |
| <b>Fixed Assets</b>                    |                            |                            |                          |                     |
| 130.00 · OFFICE EQUIPMENT              | 7,628.40                   | 7,628.40                   | 0.00                     | 0.0%                |
| 131.00 · ACCUMULATED DEPRECIATION      | -6,393.32                  | -5,904.53                  | -488.79                  | 8.28%               |
| <b>Total Fixed Assets</b>              | <u>1,235.08</u>            | <u>1,723.87</u>            | <u>-488.79</u>           | <u>-28.35%</u>      |
| <b>Other Assets</b>                    |                            |                            |                          |                     |
| 155.00 · PREPAID EXPENSE               | 5,725.00                   | 6,425.00                   | -700.00                  | -10.9%              |
| <b>Total Other Assets</b>              | <u>5,725.00</u>            | <u>6,425.00</u>            | <u>-700.00</u>           | <u>-10.9%</u>       |
| <b>TOTAL ASSETS</b>                    | <u><b>4,905,102.56</b></u> | <u><b>4,239,445.95</b></u> | <u><b>665,656.61</b></u> | <u><b>15.7%</b></u> |
| <b>LIABILITIES &amp; EQUITY</b>        |                            |                            |                          |                     |
| <b>Liabilities</b>                     |                            |                            |                          |                     |
| <b>Current Liabilities</b>             |                            |                            |                          |                     |
| <b>Accounts Payable</b>                |                            |                            |                          |                     |
| 200.00 · ACCOUNTS PAYABLE              | 1,779,645.90               | 861,627.23                 | 918,018.67               | 106.55%             |
| <b>Total Accounts Payable</b>          | <u>1,779,645.90</u>        | <u>861,627.23</u>          | <u>918,018.67</u>        | <u>106.55%</u>      |
| <b>Other Current Liabilities</b>       |                            |                            |                          |                     |
| 205.00 · DEFERRED CROP ASSESSMENT REV. | 2,894,640.99               | 2,554,910.95               | 339,730.04               | 13.3%               |
| <b>Total Other Current Liabilities</b> | <u>2,894,640.99</u>        | <u>2,554,910.95</u>        | <u>339,730.04</u>        | <u>13.3%</u>        |
| <b>Total Current Liabilities</b>       | <u>4,674,286.89</u>        | <u>3,416,538.18</u>        | <u>1,257,748.71</u>      | <u>36.81%</u>       |
| <b>Total Liabilities</b>               | <u>4,674,286.89</u>        | <u>3,416,538.18</u>        | <u>1,257,748.71</u>      | <u>36.81%</u>       |
| <b>Equity</b>                          |                            |                            |                          |                     |
| 390.00 · RETAINED EARNINGS             | 822,907.77                 | 702,366.87                 | 120,540.90               | 17.16%              |
| Net Income                             | -592,092.10                | 120,540.90                 | -712,633.00              | -591.2%             |
| <b>Total Equity</b>                    | <u>230,815.67</u>          | <u>822,907.77</u>          | <u>-592,092.10</u>       | <u>-71.95%</u>      |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>  | <u><b>4,905,102.56</b></u> | <u><b>4,239,445.95</b></u> | <u><b>665,656.61</b></u> | <u><b>15.7%</b></u> |

# EXHIBIT #2

## U.S. Highbush Blueberry Council Profit & Loss Budget vs. Actual January through December 2013

|  | <u>Jan - Dec 13</u> | <u>Budget</u>       | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|--|---------------------|---------------------|-----------------------|--------------------|
| <b>Income</b>  |                     |                     |                       |                    |
| <b>400.00 · INCOME</b>                               |                     |                     |                       |                    |
| 400.01 · DOMESTIC CROP ASSESSMENTS                   | 2,577,953.49        | 2,581,050.00        | -3,096.51             | 99.88%             |
| 400.02 · FOREIGN CROP ASSESSMENTS                    | <u>1,795,163.61</u> | <u>1,600,000.00</u> | <u>195,163.61</u>     | <u>112.2%</u>      |
| <b>Total 400.00 · INCOME</b>                         | <u>4,373,117.10</u> | <u>4,181,050.00</u> | <u>192,067.10</u>     | <u>104.59%</u>     |
| <br>   |                     |                     |                       |                    |
| 400.09 · REFUNDS OF CROP ASSESSMENTS                 | -5,750.50           |                     |                       |                    |
| <b>400.10 · INTEREST INCOME</b>                      |                     |                     |                       |                    |
| 400.11 · INTEREST INCOME CD                          | 685.49              |                     |                       |                    |
| 400.12 · INTEREST INCOME GENERAL                     | 47.31               |                     |                       |                    |
| 400.13 · INTERST INCOME SAVINGS                      | 4,931.93            |                     |                       |                    |
| 400.14 · INTEREST FOR LATE CROP PAYMENTS             | 1,275.26            |                     |                       |                    |
| 400.10 · INTEREST INCOME - Other                     | <u>43.17</u>        |                     |                       |                    |
| <b>Total 400.10 · INTEREST INCOME</b>                | <u>6,983.16</u>     |                     |                       |                    |
| <br>   |                     |                     |                       |                    |
| 400.20 · LATE FEE INCOME                             | 3,672.44            |                     |                       |                    |
| 400.30 · OTHER INCOME                                | 78.00               |                     |                       |                    |
| 400.50 · DONATIONS BC COUNCIL                        | 100,000.00          | 100,000.00          | 0.00                  | 100.0%             |
| 400.51 · WUSATA FUNDS KOREA                          | 0.00                | 150,000.00          | -150,000.00           | 0.0%               |
| 400.52 · USDA QSP FUNDS                              | <u>75,000.00</u>    | <u>75,000.00</u>    | <u>0.00</u>           | <u>100.0%</u>      |
| <b>Total Income</b>                                  | <u>4,553,100.20</u> | <u>4,506,050.00</u> | <u>47,050.20</u>      | <u>101.04%</u>     |
| <br>   |                     |                     |                       |                    |
| <b>Gross Profit</b>                                  | 4,553,100.20        | 4,506,050.00        | 47,050.20             | 101.04%            |
| <br>   |                     |                     |                       |                    |
| <b>Expense</b>                                       |                     |                     |                       |                    |
| <b>500.00 · MARKET PROMOTION AND PUBLICITY</b>       |                     |                     |                       |                    |
| 500.10 · CONSUMER/FOOD SERVICE PUBLICITY             | 1,678,000.00        | 1,670,000.00        | 8,000.00              | 100.48%            |
| 500.20 · FOOD MANUFACTURER PUBLICITY                 | 395,000.00          | 400,000.00          | -5,000.00             | 98.75%             |
| 500.30 · EXPORT MARKET PROMOTION                     | 280,813.42          | 325,000.00          | -44,186.58            | 86.4%              |
| 500.31 · 2014 MAP UES PREPARATION                    | 20,982.99           | 20,000.00           | 982.99                | 104.92%            |
| 500.32 · WUSATA EXPORT FUNDS KOREA                   | 137,836.74          | 150,000.00          | -12,163.26            | 91.89%             |
| 500.33 · FAS QSP EXPORT INDIA                        | 75,000.00           | 75,000.00           | 0.00                  | 100.0%             |
| 500.60 · MARKET RESEARCH ALLOCATION                  | 91,668.07           | 85,000.00           | 6,668.07              | 107.85%            |
| 500.70 · UNALLOCATED EXP                             | <u>0.00</u>         | <u>5,000.00</u>     | <u>-5,000.00</u>      | <u>0.0%</u>        |
| <b>Total 500.00 · MARKET PROMOTION AND PUBLICITY</b> | <u>2,679,301.22</u> | <u>2,730,000.00</u> | <u>-50,698.78</u>     | <u>98.14%</u>      |
| <br>   |                     |                     |                       |                    |
| <b>550.00 · HEALTH RESEARCH</b>                      |                     |                     |                       |                    |
| 550.20 · RESEARCH UNALLOCATED EXPENSE                | 2,650.00            | 47,333.00           | -44,683.00            | 5.6%               |
| 550.21 · RESERVE RESEARCH-EXPANDED STUDY             | 874,513.00          | 874,513.00          | 0.00                  | 100.0%             |
| 550.22 · HARVARD EPIDEMIO STUDY ((Rimm)              | 250,000.00          | 250,000.00          | 0.00                  | 100.0%             |
| 550.23 · CHILDREN'S HOSP. OAKLAND (Ames)             | 112,824.00          | 112,824.00          | 0.00                  | 100.0%             |
| 550.24 · INIVERSITY OF LOUISVILLE Gupta              | 74,780.00           | 74,780.00           | 0.00                  | 100.0%             |
| 550.25 · UNIV OF CALIF-DAVIS (Cummings)              | 37,785.00           | 37,785.00           | 0.00                  | 100.0%             |
| 550.26 · TEXAS WOMAN'S UNIVERSITY                    | 0.00                | 0.00                | 0.00                  | 0.0%               |
| 550.27 · APPALACHIAN ST. UNIV. (Collier)             | 36,191.00           | 36,191.00           | 0.00                  | 100.0%             |
| 550.28 · LOUISIANA ST. UNIV. (Francis)               | 62,074.00           | 62,074.00           | 0.00                  | 100.0%             |
| 550.30 · BLUEBERRY RESEARCH BANK                     | 31,888.72           | 30,000.00           | 1,888.72              | 106.3%             |
| 550.40 · RESEARCHER TRAVEL                           | 6,919.92            | 5,000.00            | 1,919.92              | 138.4%             |
| 550.60 · RESEARCH ADMINISTRATOR                      | 43,368.18           | 42,000.00           | 1,368.18              | 103.26%            |
| 550.70 · SPONSORSHIPS                                | 2,500.00            | 2,500.00            | 0.00                  | 100.0%             |
| 550.196 · PENN'TN RES CTR STUDY 2 CEFALU             | <u>-3,000.00</u>    |                     |                       |                    |
| <b>Total 550.00 · HEALTH RESEARCH</b>                | <u>1,532,493.82</u> | <u>1,575,000.00</u> | <u>-42,506.18</u>     | <u>97.3%</u>       |
| <br>   |                     |                     |                       |                    |
| <b>600.00 · INDUSTRY RELATIONS</b>                   |                     |                     |                       |                    |
| 600.10 · INDUSTRY RELATIONS ACTIVITIES               | 28,535.41           | 30,000.00           | -1,464.59             | 95.12%             |
| 600.21 · LABOR SEMINARS                              | 0.00                | 5,000.00            | -5,000.00             | 0.0%               |
| 600.22 · GROWER ENGAGE/EDUCATION                     | 8,441.89            | 20,000.00           | -11,558.11            | 42.21%             |
| 600.26 · ASSOCIATION MEMBERSHIPS                     | 8,925.00            | 8,500.00            | 425.00                | 105.0%             |

# EXHIBIT #2

## U.S. Highbush Blueberry Council Profit & Loss Budget vs. Actual January through December 2013

|   | <u>Jan - Dec 13</u> | <u>Budget</u>     | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|---|---------------------|-------------------|-----------------------|--------------------|
| 600.28 · INTERNATIONAL BLUEBERRY GWR MTG          | 0.00                | 1,000.00          | -1,000.00             | 0.0%               |
| 600.30 · IND RELATIONS UNALLOCATED EXP            | 0.00                | 2,500.00          | -2,500.00             | 0.0%               |
| <b>Total 600.00 · INDUSTRY RELATIONS</b>          | <b>45,902.30</b>    | <b>67,000.00</b>  | <b>-21,097.70</b>     | <b>68.51%</b>      |
| <b>610.00 · GOOD PRACTICES</b>                    |                     |                   |                       |                    |
| 610.02 · RELY ALERT SITE SERVER/MAINT             | 4,041.13            | 12,000.00         | -7,958.87             | 33.68%             |
| 610.03 · TMT RETAINER/CRISIS PLAN MAINT           | 16,500.00           | 16,500.00         | 0.00                  | 100.0%             |
| 610.031 · MEDIA TRAINING (TMT)                    | 17,505.98           | 23,000.00         | -5,494.02             | 76.11%             |
| 610.032 · ISSUE MANAGEMENT RESERVE (TMT)          | 0.00                | 5,000.00          | -5,000.00             | 0.0%               |
| 610.04 · PRINTING                                 | 3,126.53            | 5,000.00          | -1,873.47             | 62.53%             |
| 610.05 · ALLIANCE FOR FOOD AND FARMING            | 15,000.00           | 10,000.00         | 5,000.00              | 150.0%             |
| 610.09 · CHAPMAN UNIVERSITY RESEARCH              | 3,320.00            | 2,500.00          | 820.00                | 132.8%             |
| 610.10 · GP UNALLOCATED EXPENSE                   | 0.00                | 0.00              | 0.00                  | 0.0%               |
| <b>Total 610.00 · GOOD PRACTICES</b>              | <b>59,493.64</b>    | <b>74,000.00</b>  | <b>-14,506.36</b>     | <b>80.4%</b>       |
| <b>650.00 · USHBC PROGRAM FEES</b>                |                     |                   |                       |                    |
| 650.20 · USDA AMS ADMINISTRATION FEE              | 84,109.35           | 97,000.00         | -12,890.65            | 86.71%             |
| 650.30 · US OFFICE GENERAL COUNSEL FEE            | 0.00                | 1,000.00          | -1,000.00             | 0.0%               |
| 650.50 · NABC RESOURCES & SERVICE FEE             | 100,000.00          | 100,000.00        | 0.00                  | 100.0%             |
| <b>Total 650.00 · USHBC PROGRAM FEES</b>          | <b>184,109.35</b>   | <b>198,000.00</b> | <b>-13,890.65</b>     | <b>92.99%</b>      |
| <b>700.00 · GENERAL EXPENSES</b>                  |                     |                   |                       |                    |
| 700.30 · OFFICE RENT                              | 28,413.01           | 27,625.00         | 788.01                | 102.85%            |
| 700.40 · OFFICE INSURANCE/TAXES                   | 563.55              | 1,020.00          | -456.45               | 55.25%             |
| 700.50 · SUBSCRIPTIONS                            | 2,000.20            | 1,250.00          | 750.20                | 160.02%            |
| 700.60 · PRINTING                                 | 6,386.81            | 10,500.00         | -4,113.19             | 60.83%             |
| 700.70 · OFFICE SUPPLIES                          | 6,190.16            | 5,650.00          | 540.16                | 109.56%            |
| 700.80 · PHONE/FAX                                | 6,067.67            | 10,200.00         | -4,132.33             | 59.49%             |
| 700.90 · EQUIPMENT REPAIRS/MAINTENANCE            | 635.89              | 2,550.00          | -1,914.11             | 24.94%             |
| 700.100 · EQUIPMENT RENTAL                        | 6,580.78            | 8,925.00          | -2,344.22             | 73.73%             |
| 700.110 · POSTAGE/SHIPMENT                        | 11,827.06           | 8,625.00          | 3,202.06              | 137.13%            |
| 700.120 · AUTO ALLOWANCE                          | 5,850.00            | 5,850.00          | 0.00                  | 100.0%             |
| 700.130 · BANK CHARGES                            | 385.30              | 765.00            | -379.70               | 50.37%             |
| 700.140 · OFFICERS LIABILITY INSURANCE            | 3,432.00            | 3,575.00          | -143.00               | 96.0%              |
| 700.145 · BONDING INSURANCE                       | 0.00                | 750.00            | -750.00               | 0.0%               |
| 700.150 · COMMODITY COALITION INITIATIVE          | 990.00              | 1,000.00          | -10.00                | 99.0%              |
| 700.160 · GENERAL UNALLOCATED EXP.                | 0.00                | 0.00              | 0.00                  | 0.0%               |
| <b>Total 700.00 · GENERAL EXPENSES</b>            | <b>79,322.43</b>    | <b>88,285.00</b>  | <b>-8,962.57</b>      | <b>89.85%</b>      |
| <b>800.00 · ADMINISTRATION EXPENSES</b>           |                     |                   |                       |                    |
| 800.10 · SALARIES, P/R TAXES, INSURANCE BENEFITS  | 319,589.86          | 339,264.00        | -19,674.14            | 94.2%              |
| 800.110 · CALIFORNIA WORKER'S COMP                | 3,027.47            | 3,825.00          | -797.53               | 79.15%             |
| 800.120 · BOOKKEEPING SERVICE                     | 18,480.00           | 18,480.00         | 0.00                  | 100.0%             |
| 800.121 · RETIREMENT PROGRAM ADMIN                | 955.75              | 2,465.00          | -1,509.25             | 38.77%             |
| 800.130 · LEGAL/AUDIT FEES                        | 15,300.00           | 15,300.00         | 0.00                  | 100.0%             |
| 800.140 · DEPRECIATION                            | 1,228.21            | 200.00            | 1,028.21              | 614.11%            |
| 800.150 · ADMINISTRATIVE UNALLOCATED EXP          | 0.00                | 1,500.00          | -1,500.00             | 0.0%               |
| <b>Total 800.00 · ADMINISTRATION EXPENSES</b>     | <b>358,581.29</b>   | <b>381,034.00</b> | <b>-22,452.71</b>     | <b>94.11%</b>      |
| <b>850.00 · TRAVEL AND MEETING EXPENSES</b>       |                     |                   |                       |                    |
| 850.10 · EXECUTIVE DIRECTOR TRAVEL                | 25,712.50           | 12,000.00         | 13,712.50             | 214.27%            |
| 850.15 · ADMINISTRATIVE STAFF TRAVEL              | 13,146.16           | 10,625.00         | 2,521.16              | 123.73%            |
| 850.20 · OFFICER/MEMBER TRAVEL                    | 134,979.22          | 103,500.00        | 31,479.22             | 130.42%            |
| 850.30 · MEETINGS                                 | 31,642.65           | 27,200.00         | 4,442.65              | 116.33%            |
| 850.40 · AMBASSADOR PROGRAM                       | 507.72              |                   |                       |                    |
| <b>Total 850.00 · TRAVEL AND MEETING EXPENSES</b> | <b>205,988.25</b>   | <b>153,325.00</b> | <b>52,663.25</b>      | <b>134.35%</b>     |
| 900.10 · UNALLOCATED EXPENSES                     | 0.00                | 22,448.00         | -22,448.00            | 0.0%               |

**EXHIBIT #2****U.S. Highbush Blueberry Council  
Profit & Loss Budget vs. Actual  
January through December 2013**

|                           | <u>Jan - Dec 13</u> | <u>Budget</u>      | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|---------------------------|---------------------|--------------------|-----------------------|--------------------|
| Total Expense             | 5,145,192.30        | 5,289,092.00       | -143,899.70           | 97.28%             |
| Net Income                | <u>-592,092.10</u>  | <u>-783,042.00</u> | <u>190,949.90</u>     | <u>75.61%</u>      |
| <br>                      |                     |                    |                       |                    |
| BEGINNING CASH 12/31/12   | 4,085,042.41        |                    |                       |                    |
| <br>                      |                     |                    |                       |                    |
| SOURCE OF FUNDS           |                     |                    |                       |                    |
| <br>                      |                     |                    |                       |                    |
| REVENUES                  | 4,553,100.20        |                    |                       |                    |
| ACCOUNTS PAYABLE          | 918,018.67          |                    |                       |                    |
| DEFERRED CROP ASSESSMENTS | 339,730.04          |                    |                       |                    |
| DEPRECIATION              | 488.79              |                    |                       |                    |
| PREPAID EXPENSE           | 700.00              |                    |                       |                    |
| APPLICATION OF FUNDS      |                     |                    |                       |                    |
| <br>                      |                     |                    |                       |                    |
| EXPENSES                  | 5,145,192.30        |                    |                       |                    |
| ACCOUNTS RECEIVABLE       | 91,424.02           |                    |                       |                    |
| PROMOTIONAL MATERIAL      | 19,796.68           |                    |                       |                    |
| <br>                      |                     |                    |                       |                    |
| ENDING CASH 12/31/13      | 4,640,667.11        |                    |                       |                    |



**REVISIONS JANUARY 2014**

NOTE: PERCENTAGES USED WHEN COSTS CAN NOT BE IDENTIFIED AND ASSIGNED TO A SPECIFIC NABC OR USHBC ACTIVITY

|  | NABC    |                | USHBC   |                 |
|--|---------|----------------|---------|-----------------|
|  |         | NABC<br>Revise |         | USHBC<br>Revise |
| <b>Expense</b>                                       |         |                |         |                 |
| <b>500.00 · MARKET PROMOTION AND PUBLICITY</b>       |         |                |         |                 |
| 500.10 · CONSUMER/FOOD SERVICE PUBLICITY             | 0.00%   |                | 100.00% |                 |
| 500.20 · FOOD MANUFACTURER PUBLICITY                 | 0.00%   |                | 100.00% |                 |
| 500.30 · EXPORT MARKET PROMOTION (USHBC\$)           | 0.00%   |                | 100.00% |                 |
| 500.40 · USDA/MAP ALLOCATION (USDA \$)               | 0.00%   |                | 100.00% |                 |
| 500.50 · MAGAZINE ADVERTISING                        | 0.00%   |                | 100.00% |                 |
| 500.60 · MARKET RESEARCH ALLOCATION                  | 0.00%   |                | 100.00% |                 |
| 500.65 BERRY HEALTH SYMPOSIUM SPONSORSHIP            | 0.00%   |                | 100.00% |                 |
| 500.66 PBH CHILDREN'S HEALTH CAMPAIGN (YEAR 5 OF 5)  | 0.00%   |                | 100.00% |                 |
| 500.67 DESIGNATED PROMOTION (South America Donation) | 0.00%   |                | 100.00% |                 |
| 500.68 EXPANDED MARKET POSITIONING                   | 0.00%   |                | 100.00% |                 |
| 500.69 BLUEPRINT 2015 PHASE 4 SHAPE/LIVE             | 0.00%   |                | 100.00% |                 |
| 500.691 BLUEPRINT PHASE 1 STRATEGY                   | 0.00%   |                | 100.00% |                 |
| 500.70 · UNALLOCATED MARKETING EXPENSE               | 0.00%   |                | 100.00% |                 |
| <b>Total 500.00 · MARKET PROMOTION AND PUBLICITY</b> |         |                |         |                 |
| <b>550.00 · HEALTH RESEARCH</b>                      |         |                |         |                 |
| 550.20 · RESEARCH UNALLOCATED EXPENSE                | 0.00%   |                | 100.00% |                 |
| 550.21 · RESEARCH RESERVE-EXPANDED STUDY             | 0.00%   |                | 100.00% |                 |
| 550.30 · BLUEBERRY RESEARCH BANK                     | 0.00%   |                | 100.00% |                 |
| 550.40 · RESEARCHER TRAVEL                           | 0.00%   |                | 100.00% |                 |
| 550.60 · RESEARCH ADMINISTRATOR                      | 0.00%   |                | 100.00% |                 |
| 550.70 · SPONSORSHIPS                                | 0.00%   |                | 100.00% |                 |
| 550.102 · USDA/HRNCA (COGNITION-JOSEPH YEAR 2 OF 2)  | 0.00%   |                | 100.00% |                 |
| 550.196 · PENNINGTON RESEARCH CENTER (CEFALU)        | 0.00%   |                | 100.00% |                 |
| 550.197 · UNIVERSITY OF CINCINNATI (KRIKORIAN)       | 0.00%   |                | 100.00% |                 |
| <b>Total 550.00 · HEALTH RESEARCH</b>                |         |                |         |                 |
| <b>600.00 · INDUSTRY RELATIONS</b>                   |         |                |         |                 |
| 600.10 · INDUSTRY RELATIONS ACTIVITIES               | 0.00%   |                | 100.00% |                 |
| 600.20 · USHBC EVALUATION                            | 0.00%   |                | 100.00% |                 |
| 600.21 · LABOR SEMINARS                              | 0.00%   |                | 100.00% |                 |
| 600.22 · GROWER ENGAGEMENT/EDUCATION                 | 0.00%   |                | 100.00% |                 |
| 600.25 · BLUEBERRY ACREAGE STUDY                     | 100.00% | 0.00%          |         | 100.00%         |
| 600.26 · ASSOCIATION MEMBERSHIPS                     | 0.00%   |                | 100.00% |                 |
| 600.28 INTERNATIONAL BLUEBERRY GROWER MEETING        | 0.00%   |                | 100.00% |                 |
| 600.30 · UNALLOCATED INDUSTRY RELATIONS EXPENSE      | 0.00%   |                | 100.00% |                 |
| <b>Total 600.00 · INDUSTRY RELATIONS</b>             |         |                |         |                 |
| <b>610.00 GOOD PRACTICES</b>                         |         |                |         |                 |
| 610.01 · MEDIA MONITORING (VOCUS)                    | 0.00%   |                | 100.00% |                 |
| 610.02 · RELY ALERT SITE SERVER/MAINTENANCE          | 0.00%   |                | 100.00% |                 |
| 610.021 · ALERT SITE INITIAL INDUSTRY SETUP          | 0.00%   |                | 100.00% |                 |
| 610.022 · RELY MEDIA WEBSITE                         | 50.00%  | 25.00%         | 50.00%  | 75.00%          |
| 610.03 · TMT RETAINER/CRISIS PLAN MAINTENANCE        | 50.00%  | 25.00%         | 50.00%  | 75.00%          |
| 610.031 · MEDIA TRAINING (TMT)                       | 0.00%   |                | 100.00% |                 |
| 610.032 · ISSUE MANAGEMENT RESERVE (TMT)             | 75.00%  | 0.00%          | 25.00%  | 100.00%         |
| 610.04 · PRINTING                                    | 0.00%   |                | 100.00% |                 |

# EXHIBIT #3 NABC and USHBC 2014 BUDGET ALLOCATIONS

|   |         |        |         |        |
|---|---------|--------|---------|--------|
| 610.05 · ALLIANCE FOR FOOD AND FARMING                  | 0.00%   |        | 100.00% |        |
| 610.10 · GOOD PRACTICES UNALLOCATED EXPENSE             | 0.00%   |        | 100.00% |        |
| <b>Total 610.00 · GOOD PRACTICES TOTAL</b>              |         |        |         |        |
| <b>650.00 · USHBC PROGRAM FEES</b>                      |         |        |         |        |
| 650.10 · USDA IMPLEMENTATION REIMBURSEMENT              | 0.00%   |        | 100.00% |        |
| 650.20 · USDA AMS ADMINISTRATION FEE                    | 0.00%   |        | 100.00% |        |
| 650.30 · US OFFICE GENERAL COUNSEL FEE                  | 0.00%   |        | 100.00% |        |
| 650.40 · US CUSTOMS FEE                                 | 0.00%   |        | 100.00% |        |
| 650.50 · NABC RESOURCES & SERVICE FEE                   | 0.00%   |        | 100.00% |        |
| <b>Total 650.00 · USHBC PROGRAM FEES</b>                |         |        |         |        |
| <b>700.00 · GENERAL EXPENSES</b>                        |         |        |         |        |
| 700.10 · CALYX NEWSLETTER                               | 100.00% |        | 0.00%   |        |
| 700.30 · OFFICE RENT                                    | 15.00%  | 10.00% | 85.00%  | 90.00% |
| 700.40 · OFFICE INSURANCE/TAXES                         | 15.00%  | 10.00% | 85.00%  | 90.00% |
| 700.50 · SUBSCRIPTIONS                                  | 50.00%  | 25.00% | 50.00%  | 75.00% |
| 700.60 · PRINTING                                       | 10.00%  |        | 90.00%  |        |
| 700.70 · OFFICE SUPPLIES                                | 15.00%  | 10.00% | 85.00%  | 90.00% |
| 700.80 · PHONE/FAX                                      | 30.00%  | 25.00% | 70.00%  | 75.00% |
| 700.90 · EQUIPMENT/REPAIRS/MAINTENANCE                  | 15.00%  | 10.00% | 85.00%  | 90.00% |
| 700.100 · EQUIPMENT RENTAL                              | 15.00%  | 10.00% | 85.00%  | 90.00% |
| 700.110 · POSTAGE/SHIPMENT                              | 15.00%  | 10.00% | 85.00%  | 90.00% |
| 700.120 · AUTO ALLOWANCE                                | 10.00%  |        | 90.00%  |        |
| 700.130 · BANK CHARGES                                  | 15.00%  | 50.00% | 85.00%  | 50.00% |
| 700.140 · OFFICERS LIABILITY INSURANCE                  | 35.00%  |        | 65.00%  |        |
| 700.145 · BONDING INSURANCE                             | 50.00%  |        | 50.00%  |        |
| 700.150 · COMMODITY COALITION INITIATIVE                | 0.00%   |        | 100.00% |        |
| 700.155 · NCAE MEMBERSHIP                               | 100.00% |        | 0.00%   |        |
| 700.157 · NBCI MEMBERSHIP                               | 100.00% |        | 0.00%   |        |
| 700.158 · IBO DUES                                      | 100.00% |        | 0.00%   |        |
| 700.160 · GENERAL UNALLOCATED EXPENSES                  | 50.00%  | 25.00% | 50.00%  | 75.00% |
| 700.170 · SPECIAL PROJECTS RESERVE                      | 100.00% |        | 0.00%   |        |
| <b>Total 700.00 · GENERAL EXPENSES</b>                  |         |        |         |        |
| <b>800.00 · ADMINISTRATION EXPENSES</b>                 |         |        |         |        |
| 800.10 · SALARY-SECRETARY                               | 20.00%  | 15.00% | 80.00%  | 85.00% |
| 800.20 · SECRETARY RETIREMENT                           | 20.00%  | 15.00% | 80.00%  | 85.00% |
| 800.30 · SECRETARY MEDICAL/DENTAL INSURANCE             | 20.00%  | 15.00% | 80.00%  | 85.00% |
| 800.40 · SECRETARY DISABILITY INSURANCE                 | 20.00%  | 15.00% | 80.00%  | 85.00% |
| 800.50 · SALARY-EXECUTIVE DIRECTOR                      | 10.00%  |        | 90.00%  |        |
| 800.60 · EXECUTIVE DIRECTOR RETIREMENT                  | 10.00%  |        | 90.00%  |        |
| 800.70 · EXECUTIVE DIRECTOR MEDICAL/DENTAL              | 10.00%  |        | 90.00%  |        |
| 800.80 · EXECUTIVE DIRECTOR LIFE INSURANCE              | 10.00%  |        | 90.00%  |        |
| 800.90 · EXECUTIVE DIRECTOR DISABILITY INSURANCE        | 10.00%  |        | 90.00%  |        |
| 800.990 · ASSISTANT MANAGER SALARY                      | 20.00%  | 15.00% | 80.00%  | 85.00% |
| 800.991 · ASSISTANT MANAGER RETIREMENT                  | 20.00%  | 15.00% | 80.00%  | 85.00% |
| 800.992 · ASSISTANT MANAGER MEDICAL/DENTAL              | 20.00%  | 15.00% | 80.00%  | 85.00% |
| 800.993 · ASSISTANT MANAGER DISABILITY INSURANCE        | 20.00%  | 15.00% | 80.00%  | 85.00% |
| 800.95 · SALARY-COMPLIANCE COORDINATOR                  | 15.00%  |        | 85.00%  |        |
| 800.96 · COMPLIANCE COORDINATOR RETIREMENT              | 15.00%  |        | 85.00%  |        |
| 800.97 · COMPLIANCE MEDICAL/DENTAL INSURANCE            | 15.00%  |        | 85.00%  |        |
| 800.98 · COMPLIANCE DISABILITY INSURANCE                | 15.00%  |        | 85.00%  |        |
| 800.100 · PAYROLL TAXES                                 | 15.00%  |        | 85.00%  |        |
| 800.110 · CALIFORNIA WORKER'S COMP                      | 15.00%  |        | 85.00%  |        |
| 800.120 · BOOKKEEPING SERVICE                           | 30.00%  | 15.00% | 70.00%  | 85.00% |
| 800.121 · RETIREMENT PROGRAM ADMINISTRATION             | 15.00%  |        | 85.00%  |        |
| 800.130 · LEGAL/AUDIT FEES                              | 41.15%  |        | 58.85%  |        |
| 800.134 · TRADE MONITORING                              | 100.00% | 58.00% | 0.00%   | 42.00% |
| 800.135 · LEGISLATIVE REPRESENTATION                    | 100.00% |        | 0.00%   |        |
| 800.136 · AGRICULTURAL COALITION FOR IMMIGRATION REFORM | 100.00% |        | 0.00%   |        |

**EXHIBIT #3**

**NABC and USHBC 2014 BUDGET ALLOCATIONS**

|   |         |        |        |        |
|---|---------|--------|--------|--------|
| 800.140 · DEPRECIATION                            | 20.00%  | 50.00% | 80.00% | 50.00% |
| 800.150 · ADMINISTRATIVE UNALLOCATED EXPENSE      | 50.00%  | 25.00% | 50.00% | 75.00% |
| 800.160 · FEDERAL TAXES                           | 100.00% |        | 0.00%  |        |
| <b>Total 800.00 · ADMINISTRATION EXPENSES</b>     |         |        |        |        |
| <b>850.00 · TRAVEL AND MEETING EXPENSES</b>       |         |        |        |        |
| 850.10 · EXECUTIVE DIRECTOR TRAVEL                | 10.00%  |        | 90.00% |        |
| 850.15 · ADMINISTRATIVE STAFF TRAVEL              | 15.00%  | 10.00% | 85.00% | 90.00% |
| 850.20 · OFFICER/MEMBER TRAVEL                    | 10.00%  |        | 90.00% |        |
| 850.30 · MEETINGS                                 | 20.00%  |        | 80.00% |        |
| 850.40 · AMBASSADOR PROGRAM (NABC Contribution)   | 100.00% |        | 0.00%  |        |
| <b>Total 850.00 · TRAVEL AND MEETING EXPENSES</b> |         |        |        |        |
| <b>900.00 · UNCOMMITTED EXPENSES</b>              | 50.00%  | 25.00% | 50.00% | 75.00% |
| <b>Total Expense</b>                              |         |        |        |        |

**EXHIBIT #4****2014 USHBC BUDGET  
Revised February 28, 2014**

|  | <b>2014<br/>BUDGET</b> |
|--|------------------------|
| <b>Expense</b>   |                        |
| <b>500.00 · MARKET PROMOTION AND PUBLICITY</b>           |                        |
| 500.10 · CONSUMER/FOOD SERVICE PUBLICITY                 | 2,203,500              |
| 500.20 · FOOD MANUFACTURER PUBLICITY                     | 509,500                |
| 500.30 · EXPORT MARKET PROMOTION (USHBC \$)              | 650,000                |
| 500.305 · UNALLOCATED EXPORT MARKET PROMOTION (USHBC \$) | 297,500                |
| 500.40 · USDA MAP ALLOCATION (USDA \$ TBD)               | 0                      |
| 500.70 · UNALLOCATED RESERVE                             | 10,432                 |
| <b>Total 500.00 · MARKET PROMOTION AND PUBLICITY</b>     | <b>3,670,932</b>       |
| <b>550.00 · HEALTH RESEARCH</b>                          |                        |
| 550.20 · RESEARCH UNALLOCATED EXPENSE                    | 264,548                |
| 550.29 · SIMMONS COLLEGE (Carey)                         | 40,452                 |
| 550.30 · BLUEBERRY RESEARCH BANK                         | 30,000                 |
| 550.40 · RESEARCHER TRAVEL                               | 10,000                 |
| 550.60 · RESEARCH ADMINISTRATOR                          | 48,000                 |
| 550.70 · SPONSORSHIPS                                    | 2,500                  |
| <b>Total 550.00 · HEALTH RESEARCH</b>                    | <b>395,500</b>         |
| <b>600.00 · INDUSTRY RELATIONS</b>                       |                        |
| 600.10 · INDUSTRY RELATIONS ACTIVITIES                   | 30,000                 |
| 600.22 · GROWER ENGAGEMENT/EDUCATION/AMBASSADOR PROGRAM  | 10,000                 |
| 600.25 · BLUEBERRY ACREAGE STUDY                         | 18,000                 |
| 600.26 · ASSOCIATION MEMBERSHIPS                         | 10,000                 |
| 600.30 · UNALLOCATED INDUSTRY RELATIONS EXPENSE          | 9,000                  |
| <b>Total 600.00 · INDUSTRY RELATIONS</b>                 | <b>77,000</b>          |
| <b>610.00 · GOOD PRACTICES</b>                           |                        |
| 610.02 · RELY ALERT SITE SERVER/MAINTENANCE              | 12,000                 |
| 610.03 · TMT RETAINER/CRISIS PLAN                        | 24,750                 |
| 610.031 · MEDIA TRAINING (TMT)                           | 18,000                 |
| 610.032 · ISSUE MANAGEMENT RESERVE (TMT)                 | 10,000                 |
| 610.04 · PRINTING  | 5,000                  |
| 610.05 · ALLIANCE FOR FOOD AND FARMING                   | 10,000                 |
| 610.06 · NBREW CONFERENCE CONTRIBUTION                   | 5,000                  |
| 610.10 · GOOD PRACTICES UNALLOCATED EXPENSE              | 2,500                  |
| <b>Total 610.00 · GOOD PRACTICES</b>                     | <b>87,250</b>          |
| <b>650.00 · USHBC PROGRAM FEES</b>                       |                        |
| 650.20 · USDA AMS ADMINISTRATION FEE                     | 105,000                |
| 650.30 · US OFFICE GENERAL COUNSEL FEE                   | 1,000                  |
| 650.50 · NABC RESOURCES & SERVICE FEE                    | 120,000                |
| <b>Total 650.00 · USHBC PROGRAM FEES</b>                 | <b>226,000</b>         |
| <b>700.00 · GENERAL EXPENSES</b>                         |                        |
| 700.30 · OFFICE RENT                                     | 38,830                 |
| 700.40 · OFFICE INSURANCE/TAXES                          | 1,080                  |
| 700.50 · SUBSCRIPTIONS                                   | 3,000                  |
| 700.60 · PRINTING  | 13,500                 |
| 700.70 · OFFICE SUPPLIES                                 | 9,900                  |
| 700.80 · PHONE/FAX                                       | 7,500                  |
| 700.90 · EQUIPMENT REPAIRS/MAINTENANCE                   | 2,700                  |
| 700.100 · EQUIPMENT RENTAL                               | 11,700                 |
| 700.110 · POSTAGE/SHIPMENT                               | 14,400                 |
| 700.120 · AUTO ALLOWANCE                                 | 7,020                  |
| 700.130 · BANK CHARGES                                   | 500                    |
| 700.140 · OFFICERS LIABILITY INSURANCE                   | 3,575                  |
| 700.145 · BONDING INSURANCE                              | 2,000                  |
| 700.150 · COMMODITY COALITION INITIATIVE                 | 1,000                  |
| 700.160 · GENERAL UNALLOCATED EXPENSES                   | 0                      |
| <b>Total 700.00 · GENERAL EXPENSES</b>                   | <b>116,705</b>         |

**EXHIBIT #4****2014 USHBC BUDGET  
Revised February 28, 2014**

|   | <b>2014<br/>BUDGET</b> |
|---|------------------------|
| <b>800.00 · ADMINISTRATION EXPENSES</b>           |                        |
| 800.10 · SALARIES, P/R TAXES, INSURANCE BENEFITS  | 401,149                |
| 800.110 · CALIFORNIA WORKER'S COMP                | 3,995                  |
| 800.120 · BOOKKEEPING SERVICE                     | 23,800                 |
| 800.121 · RETIREMENT PROGRAM ADMINISTRATION       | 3,145                  |
| 800.130 · LEGAL/AUDIT FEES                        | 15,600                 |
| 800.134 · TRADE MONITORING                        | 10,000                 |
| 800.140 · DEPRECIATION                            | 550                    |
| 800.150 · ADMINISTRATIVE UNALLOCATED EXPENSES     | 4,500                  |
| <b>Total 800.00 · ADMINISTRATION EXPENSES</b>     | <b>462,739</b>         |
| <b>850.00 · TRAVEL AND MEETING EXPENSES</b>       |                        |
| 850.10 · EXECUTIVE DIRECTOR TRAVEL                | 27,000                 |
| 850.15 · ADMINISTRATIVE STAFF TRAVEL              | 15,300                 |
| 850.20 · OFFICER/MEMBER TRAVEL                    | 135,000                |
| 850.30 · MEETINGS                                 | 30,000                 |
| <b>Total 850.00 · TRAVEL AND MEETING EXPENSES</b> | <b>207,300</b>         |
| <b>900.10 · UNALLOCATED EXPENSES</b>              | <b>44,951</b>          |
| <b>Total Expense</b>                              | <b>5,288,377</b>       |