



# 2018 | THE ALMOND CONFERENCE

HANDLER UNIVERSITY

ROOM 314 | DECEMBER 4, 2018



# Continuing Education Units (CEU's)

- **What type of CEU's are offered at conference?**
  - Tuesday – Certified Crop Advisor (CCA)
  - Wednesday – Certified Crop Advisor (CCA)
  - Thursday – Certified Crop Advisor (CCA) and Department of Pesticide Regulations (DPR)
- **Where are the CEU sign in sheets?**
  - CEU sign in sheets will be in the back of each session
  - There are separate forms on Thursday for the CCA and DPR credits
- **Special instructions for Thursday**
  - PCA's will need to pick up their scantrons in the morning before the first session of the day. They will also need to return the scantron at the end of the day to the CEU booth. This is in addition to signing in and out of each session.



# AGENDA

- **Bryce Spycher**, Almond Board of California, moderator
- **Sue Olson**, Almond Board of California



# Handler University

December 4, 2018





# Agenda

1. Becoming a Handler
2. Handler Requirements
  - a) Annual
  - b) Quarterly
  - c) Monthly
  - d) Other
3. Inedible Dispositions
4. Other Programs



# Almond Marketing Order (Part 981)

## §981.13 Handler

*Handler* means any person handling almonds during any crop year, except that such term shall not include either a grower who sells only almonds of his own production at retail at a roadside stand operated by him, or a person receiving almonds from growers and other persons and delivering these almonds to a handler.

## §981.16 To handle

*To handle* means to use almonds commercially of own production or to sell, consign, transport, ship (except as a common carrier of almonds owned by another) or in any other way to put almonds grown in the area of production into any channel of trade for human consumption worldwide, either within the area of production or by transfer from the area of production to points outside or by receipt as first receiver at any point of entry in the United States or Puerto Rico of almonds grown in the area of production, exported therefrom and submitted for reentry or which are reentered free of duty. However, sales or deliveries by a grower to handlers, hullers or other processors within the area of production shall not, in itself, be considered as handling by a grower.

# How to Become a Handler

## 1. Handler Must Submit Form 42

a) Handler Information Sheet

## 2. Handler Must Submit Handler Treatment Plan (HTP)

### **§981.442(b)(4) Quality control (*Outgoing*) (*Compliance and verification*)**

(i) By May 31, each handler shall submit to the Board a Treatment Plan for the upcoming crop year. A Treatment Plan shall describe how a handler plans to treat his or her almonds, and must address specific parameters as outlined by the Board for the handler to ship almonds. Such plan shall be reviewed by the Board, in conjunction with the inspection agency, to ensure it is complete and can be verified, and be approved by the Board. Almonds sent by a handler for treatment to an off-site facility affiliated with another handler shall be subject to the approved Treatment Plan utilized at that facility. Handlers shall follow their own approved Treatment Plans for almonds sent to an off-site facility that is not affiliated with another handle

## 3. Handler Must Have an Incoming Receipt

### **§981.42 Quality control.**

(a) *Incoming*. Except as provided in this paragraph, each handler shall cause to be determined, through the inspection agency, and at handler expense, the percent of inedible kernels in each variety received by him and shall report the determination to the Board. The quantity of inedible kernels in each variety in excess of two percent of the kernel weight received, shall constitute a weight obligation to be accumulated in the course of processing and shall be delivered to the Board, or Board accepted crushers, feed manufacturers, or feeders. The Board, with the approval of the Secretary, may change this percentage for any crop year, may authorize additional outlets, may exempt bleaching stock from inedible kernel determination or obligation and may establish rules and regulations necessary and incidental to the administration of this provision, including the method of determining inedible kernel content and satisfaction of the disposition obligation. The Board for good cause may waive portions of obligations for those handlers not generating inedible material from such sources as blanching or manufacturing.

## POP QUIZ TIME

All almonds grown in California are covered by Federal Marketing Order, Part 981.

TRUE

FALSE

### **§981.23 Part and subpart.**

*Part* means the order regulating the handling of almonds grown in the State of California, and all rules, regulations, and supplementary orders issued thereunder, and the aforesaid order shall be a *subpart* of such part.



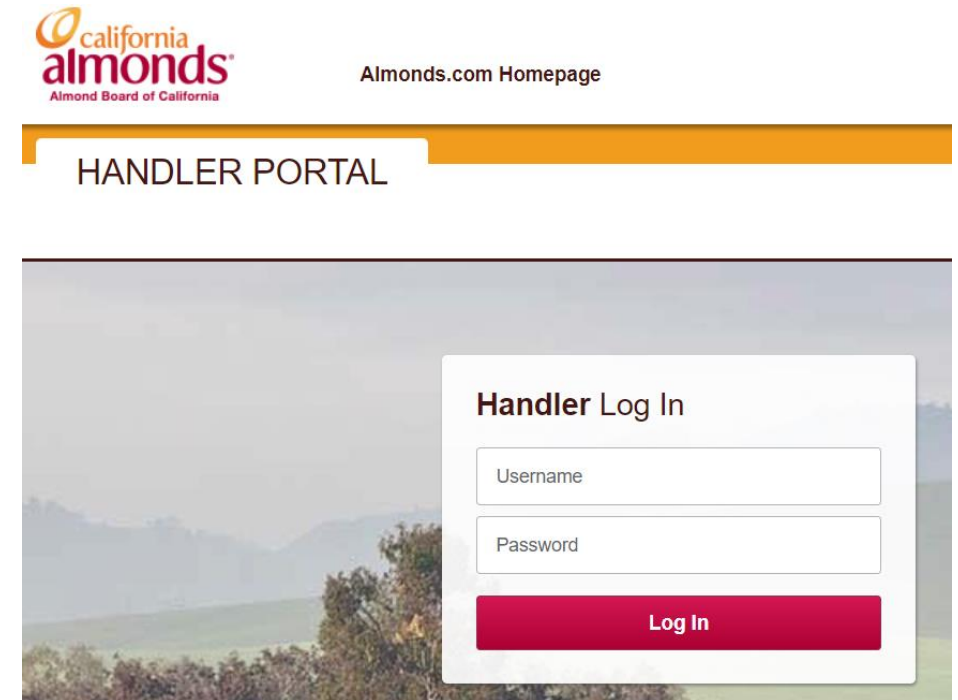
# Handler Requirements

- Monthly
  - Form 1 – Almonds Received
  - Form 25-1 – Total Shipments
  - Form 25-2 – Exports By Country
- Quarterly
  - Form 2 – Redetermination Report (Assessments)
    - 2018/19 Board-Approved Assessment Rate (\$0.04/lb.)
  - Credit-Back
- Annual
  - Form 42 – Handler Info Sheet
  - Handler Treatment Plan (HTP)
- Other
  - Form 7 – Inter-handler Transfers
  - Form 8 – Inedible Dispositions
  - Inshell Credits



# Handler Portal

Each registered handler will have an account setup which provides access to a personalized handler portal administered by Almond Board (ABC) Marketing Order Services



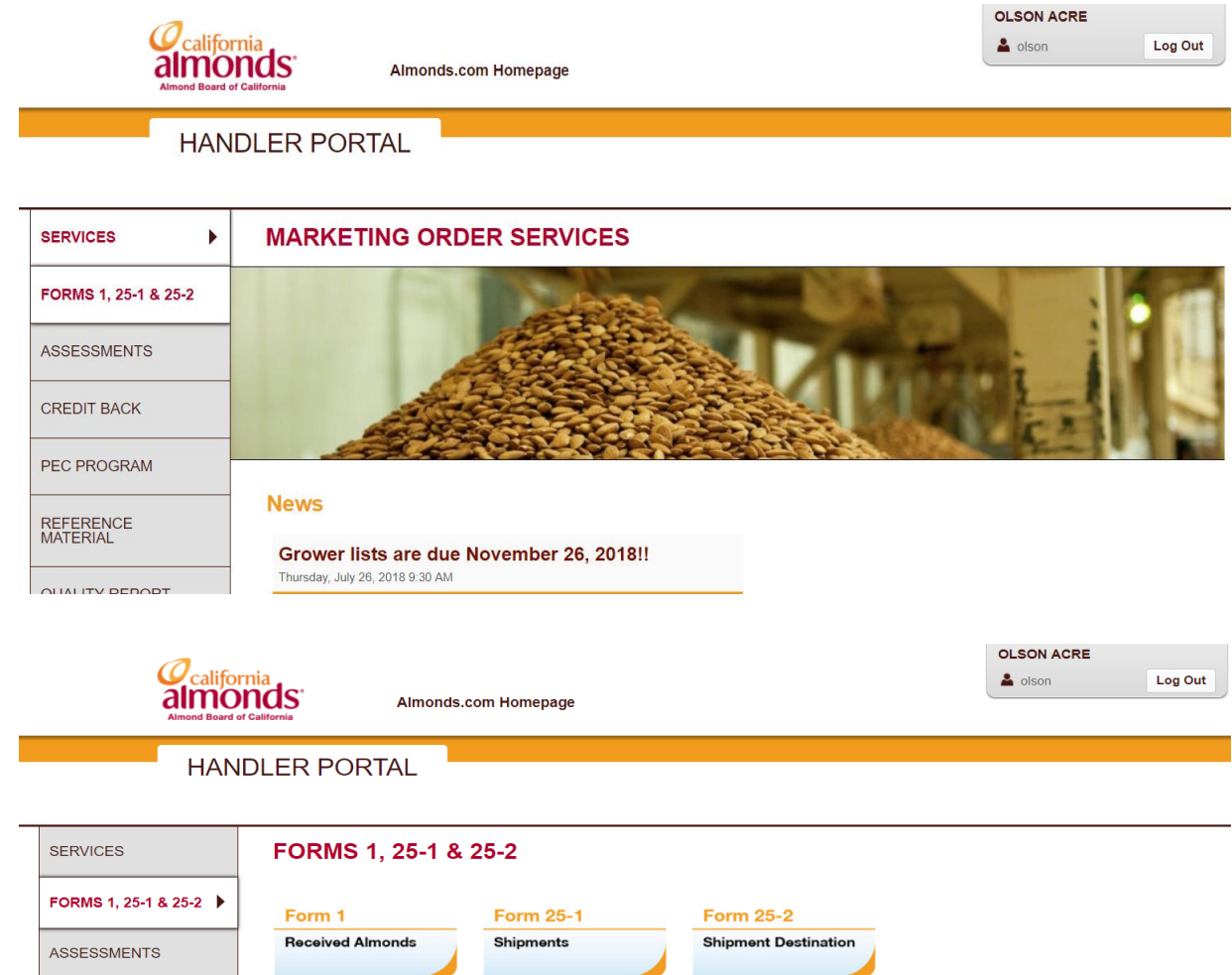
After logging into the Handler Portal a handler can access:

- Operations Calendar
- Forms 1, 25-1, 25-2
- Assessments (Form 2)
- Quality Control (QC) Report

It is a one-stop shop for all things compliance with ABC requirements/programs.

# Form 1 – Received Almonds

- Report total kernels weights receipts by variety for the current reporting period
  - Including both edible and inedible kernels
- Forms are due on the 5<sup>th</sup> of each month.
  - November forms are due tomorrow (December 5<sup>th</sup>)



The screenshot displays the Almonds.com Handler Portal. At the top, the California Almonds logo and 'Almonds.com Homepage' are visible. A user login bar shows 'OLSON ACRE' with a profile icon, the name 'olson', and a 'Log Out' button. Below the header is an orange bar with the text 'HANDLER PORTAL'. The main content area features a sidebar on the left with a menu: 'SERVICES' (with a right arrow), 'FORMS 1, 25-1 & 25-2', 'ASSESSMENTS', 'CREDIT BACK', 'PEC PROGRAM', 'REFERENCE MATERIAL', and 'QUALITY REPORT'. The main content area is titled 'MARKETING ORDER SERVICES' and includes a large image of a pile of almonds. Below the image is a 'News' section with the headline 'Grower lists are due November 26, 2018!!' and the date 'Thursday, July 26, 2018 9:30 AM'. At the bottom of the screenshot, the same header and login bar are repeated, followed by another orange 'HANDLER PORTAL' bar. Below this, the sidebar menu is shown with 'FORMS 1, 25-1 & 25-2' selected and having a right arrow. The main content area is titled 'FORMS 1, 25-1 & 25-2' and contains three buttons: 'Form 1 Received Almonds', 'Form 25-1 Shipments', and 'Form 25-2 Shipment Destination'.



# Form 1 – Received Almonds

- Handler enters values into the Current Period column and the year-to-date values are calculated automatically.
  - User is only able to enter values where fields are highlighted or numbers are in blue.
  - Fields with black numerical values are calculated
- What if a variety I received is not listed?
  - Select variety under the “other variety” drop down list which contains all known minor varieties.
  - Input pounds received and select “Add Variety”
  - Variety will be displayed on the default list for the duration of the crop year

## FORM 1

[View Form 1 Instructions](#)  
Period: 4  
Reporting Period:  
11/01/2018 to 11/30/2018  
2018 4

OMB Approval No. 0581-0178  
Form 1  
[Print Form](#)

SUMMARY REPORT  
ALMONDS RECEIVED FOR OUR OWN ACCOUNT

☐ No change (Check here, sign, and return if no change from previous report)

Varieties	Current Period Total (Kernel Weight)	Previous Period Year to Date Total (Kernel Weight)	Year To Date Total (Kernel Weight)
Aldrich		0	0
Avalon		0	0
Butte		0	0
Butte/Padre		0	0
Carmel		0	0
Carrion		0	0
Folsom		0	0
Fritz		0	0
Independence		0	0

Varieties	Current Period Total (Kernel Weight)	Previous Period Year to Date Total (Kernel Weight)	Year To Date Total (Kernel Weight)
Total	0	0	0

Other Variety

Current Period Total

Variety

Add Variety

By clicking on submit, logged in user certifies to the Almond Board of California and to the U.S. Secretary of Agriculture that the information entered into this website is correct and complete.

SubmitPrint

## POP QUIZ TIME

Total edible kernels received should be claimed by variety on a handler's Form 1.

TRUE

FALSE

Total kernels should be claimed by variety for the month received. Total kernels includes all almond content (edible + inedible).

## POP QUIZ TIME

What day of each month are Form 1s due?

**The 5<sup>th</sup> of Each Month**



# Form 25-1 – Total Shipments

- Report Total Shipments by Product Type:
  - Shelled – Natural Brownskin Shipments
  - Manufactured – Blanched, Roasted, Mechanically Cut, etc.
  - Products – Almonds Used as an Ingredient
  - Inshell – Net Kernel Weight
- Shipments include both Domestic + Exports
- Inter-handler Transfers Received
  - Almonds received from another registered handler
  - Form 7 should be received
- Industry Purchase
  - Almonds received from someone other than another handler or grower
    - Broker, Trader, Etc.
- Exempt/Inedible Shipments
  - Inedible Dispositions to ABC-approved Accepted Users
  - Form 8 should be initiated

## FORM 25-1

[View Form 25-1 Instructions](#)

Period: 4

Reporting Period:

11/01/2018 to 11/30/2018

2018 4

OMB Approval No. 0581-0178  
Form 25-1

[Print Form](#)

### REPORT OF SHIPMENTS AND COMMITMENTS

ABC-25-1 is to be submitted in compliance with section 981.474 of Marketing Order No. 981, regulating the handling of almonds grown in California

Shipments	Current Period Total (Kernel Weight)		Prior Period Year to Date (Kernel Weight)		Year To Date Total (Kernel Weight)
Shelled		+	0	=	0
Manufactured		+	0	=	0
Products		+	0	=	0
Inshell (kernel weight)		+	0	=	0
Subtotal	0	+	0	=	0
Inter-handler transfers received		+	0	=	0
Industry purchase		+	0	=	0
Subtotal	0	+	0	=	0
Net Shipments	0	+	0	=	0
Exempt / Inedible		+	0	=	0

# Form 25-1 – Commitments

## Commitments – Almonds Sold But Not Delivered

- Domestic – almonds contracted for a domestic destination
- Non-contract – almonds held for use in a store/retail/farmers market/etc.
  - Most handlers do not report these commitments
- Export – almonds contracted for an export destination
- What if I don't know where it is going?
  - Claim the commitments to the best of your knowledge

## Contracts to Purchase – Almonds Purchased But Not Received

- Domestic
  - Future inter-handler transfers to be received
  - Future industry purchases to be received from domestic origin
- Export
  - California Almonds to be received from an export destination in the future

ALMONDS SOLD BUT NOT DELIVERED		CURRENT CROP YEAR 2018/2019
Domestic (Include commitments to ship to trade sources or other handlers)		<input type="text"/>
Non-contract		<input type="text"/>
Export		<input type="text"/>
Subtotal		0
Deduct contracts to purchase from trade sources, including undelivered		
Inter-handler transfers (indicate domestic or export)		
Domestic		<input type="text"/>
Export		<input type="text"/>
Subtotal		0
TOTAL COMMITMENTS		0

By clicking on submit, logged in user certifies to the Almond Board of California and to the U.S. Secretary of Agriculture that the information entered into this website is correct and complete.

[Submit](#)[Print](#)

## POP QUIZ TIME

Inshell shipments should be claimed in net kernel weight after applying the crackout percentage calculation.

TRUE

FALSE



- Report Export Shipments by Destination:
  - Shelled – Natural Brownskin Shipments
  - Manufactured – Blanched, Roasted, Mechanically Cut, etc.
  - Products – Almonds Used as an Ingredient
  - Inshell – Net Kernel Weight
- No Domestic Shipments Should Be Included
- What if the Destination is Not Listed?
  - Select destination under the “other destination” drop down list which contains all known minor destinations
  - Input total pounds shipped by product type and select “Add Row”
  - Destination will be displayed on the default list for the duration of the crop year

[View Form 25-2 Instructions](#)

Period: **4**  
Reporting Period:  
**11/01/2018 to 11/30/2018**

2018 ▼ 4 ▼

[Print Form](#)

ABC-25-2 is to be submitted in compliance with section 981.474 of Marketing Order No. 981, regulating the handling of almonds grown in California

Destination	Shelled Current Period	Manufactured Current Period	Products Current Period	Inshell-KW Current Period	Total Current Period	Prior Period Year-to-Date	Total Year-to-Date
Algeria					0	0	0
Australia					0	0	0
Bahrain					0	0	0
Belgium					0	0	0
Bulgaria					0	0	0
Canada					0	0	0
Chile					0	0	0
China/HongKong					0	0	0
Destination	Shelled Current Period	Manufactured Current Period	Products Current Period	Inshell-KW Current Period	Total Current Period	Prior Period Year-to-Date	Total Year-to-Date
<b>Total</b>	0	0	0	0	0	0	0

Other Destination	Shelled Current Period	Manufactured Current Period	Products Current Period	Inshell-KW Current Period	
<div>Destination ▼</div>					Add Row

Submit

Print

## POP QUIZ TIME

Shipment totals can be larger on Form 25-2 (Exports) than Form 25-1 (Total Shipments) by product type.

TRUE

FALSE

Other than a correction, you should never ship more pounds export than you ship altogether.

## POP QUIZ TIME

U.S. shipments are claimed by product type on Form 25-2.

TRUE

FALSE

# Quarterly Requirements

- Assessments
  - Form 2
  - Handler Audit Adjustments
- Credit Back



# Assessments are billed quarterly: Nov 30<sup>th</sup>, Jan 31<sup>st</sup>, Apr 30<sup>th</sup> & Aug 31<sup>st</sup>

- Assessments are billed each quarter so handlers can spread their costs throughout the year
  - A#1 is based on **Form 1** pounds through October 31<sup>st</sup>.
  - A#2 is based on your **Form 2** data from August 1<sup>st</sup> through December 31<sup>st</sup>.
  - A#3 is based on your **Form 2** data from August 1<sup>st</sup> through March 31<sup>st</sup>.
  - A#4 is based on your **Form 2** data from August 1<sup>st</sup> through July 31<sup>st</sup>.

SERVICES	MARKETING ORDER SERVICES
FORMS 1, 25-1 & 25-2	
ASSESSMENTS	
CREDIT BACK	
PEC PROGRAM	
REFERENCE MATERIAL	
QUALITY REPORT	

### News

**Grower lists are due November 26, 2018!!**

Thursday, July 26, 2018 9:30 AM



## Almond Board of California - Redetermination Report

Crop Year: 2017/18 Reporting Period: Aug 1, 2017 - July 31, 2018

Handler: ASSESSMENTS #2, #3, AND #4 ARE DONE BY A FORM 2 / A#1 REQUIRES A FORM 1 (ATTACHED)

	Year-to-Date Kernel Weight	
1. <b>Current Inventory:</b>	72,498,909	Current inventory, including inedibles. The last inventory for the year will become Line #5 (subtracted) for the following CY as it has already been assessed.
2. <b>Net Shipments:</b> (from Form 25-1)	49,402,068	Shipments are automated from your Form 25-1
3. <b>Prior Crop Year Inedibles Shipped</b>	0	Report inedible kernel weight shipped after July 31 <sup>st</sup> for prior crop year
4. <b>Subtotal</b> (add lines 1, 2 and 3)	121,900,977	
<b>Adjustments:</b>		This was Line #1 at end of last CY. The last inventory for the year becomes Line #5 (subtracted) for the following CY so it won't be assessed twice.
5. Less carryin inventory	17,718,072	
6. Less remaining inedible obligation	648,628	Remaining inedible obligations are subtracted – handler are assessed on edible kernels.
7. <b>Subtotal</b> (add lines 5 and 6)	18,366,700	
8. <b>Weight after adjustments</b> (line 4 less line 7)	103,534,277	
9. Add interhandler transfers assessments received	219,614	If handlers decide to transfer assessments on a Form 7 the adjustments are made on Lines 9 or 10.
10. Less interhandler transfers assessments transferred	( 0 )	
11. <b>Assessable Weight:</b> (line 8 plus line 9; less line 10)	103,753,891	This is the final assessable weight for A#4 in this case.

# Possible adjustments made to assessment invoices

- Handler audit adjustments: Handlers assessable weight are audited by a 3<sup>rd</sup> party CPA to assure their assessable weight is correct. This is done to one third of handlers every year, so every two years a handler is audited. The auditor looks at incomings, shipments, invoices and Forms 1, 2, 7 and 25-1. Should it be determined that the assessable weight should be more or less; the handler will be given an audit adjustment during the A#2 assessment period. Weight difference X \$.04.
- Credit-Back Program: *Credit for Market Promotion Activities, Including Paid Advertising. The Credit-Back program was established by industry members and the Almond Board of California to provide reimbursement for branded marketing programs.*

There are rules to follow including:

1. Maximum funding levels
2. Activities should take place outside the growing regions
3. Proof of activity and payment

More information can be given by contacting Rahima Kunari [rkunari@almondboard.com](mailto:rkunari@almondboard.com)

# Assessment Invoicing Schedule

- Assessments are billed each quarter so handlers can spread their costs throughout the year
  - A#1: mailed 11/30 **due 12/15** is based on **Form 1** pounds through October 31<sup>st</sup>.
  - A#2: mailed 01/31 **due 02/15** is based on your **Form 2** data from August 1<sup>st</sup> through December 31<sup>st</sup>.
  - A#3: mailed 04/30 **due 05/15** is based on your **Form 2** data from August 1<sup>st</sup> through March 31<sup>st</sup>.
  - A#4: mailed 08/31 **due 09/15** is based on your **Form 2** data from August 1<sup>st</sup> through July 31<sup>st</sup>.

	Based on Form 1 thru 10/31	Based on Form 2 thru 12/31	Based on Form 2 thru 3/31	Based on Form 2 thru 7/31
Standard Calculation		(note: increase in assessable weight)	(assume: increase in assessable weight)	(assume: no change) in assessable weight)
	<b>A #1</b>	<b>A #2</b>	<b>A #3</b>	<b>A #4</b>
Assessable Weight	1,500,000	2,450,000	2,500,000	2,500,000
Rate per LB (annual)	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04
Total Obligation for 18/19:	\$ 60,000.00	\$ 98,000.00	\$ 100,000.00	\$ 100,000.00
Assessment Calculation	\$ 60,000.00 25.00%	\$ 98,000.00 50.00%	\$ 100,000.00 75.00%	\$ 100,000.00 100.00%
<b>Assessment #1 Billed</b>	<b>\$ 15,000.00</b>			
% of Annual total Due		\$ 49,000.00	\$ 75,000.00	\$ 100,000.00
Less: Assessment #1 - Billed		\$ (15,000.00)	\$ (15,000.00)	\$ (15,000.00)
<b>Assessment #2 Billed</b>		<b>\$ 34,000.00</b>		
Less: Assessment #2 - Billed			\$ (34,000.00)	\$ (34,000.00)
<b>Assessment #3 Billed</b>			<b>\$ 26,000.00</b>	
Less: Assessment # 3 - Billed				\$ (26,000.00)
<b>Assessment # 4 Billed</b>				<b>\$ 25,000.00</b>

**PAYING YOUR  
INVOICES ON  
TIME WILL  
PREVENT  
INTEREST (AT 30  
DAYS PAST DUE)  
&  
A ONE TIME 10%  
PENALTY (60  
DAYS PAST DUE)**

# Annual Requirements

- Submission of Handler Information Sheet (Form 42)
  - Continuing handlers can confirm there are no changes
- Submission of Grower List
  - Toni/Bunnie collect these in advance of Board elections and/or grower referendums
- Handler Treatment Plan (HTP)
  - Continuing handler with no changes to current approved plan can submit top page only
  - Due by May 31<sup>st</sup> each year





# Form 42 – Handler Information Sheet

- Provides general handler contact information and ownership structure
- Submitted in advance of the start of each crop year
  - Due July 31<sup>st</sup>
- Sent out as part of an annual handler mailing
- Information used to populated the Handler/Processor list located on the Almond Board website

Complete form and fax to:  
ALMOND BOARD OF CALIFORNIA  
1150 9<sup>TH</sup> Street, Suite 1500  
Modesto, CA 95354  
Tel: (209) 549-8262 Fax: (209) 550-5494

OMB No. 0581-0178  
ABC Form 42

### Handler Information Sheet

Handler Name:	
Address:	
City, State, Zip	
Telephone:	
Fax Number:	

Company is (check one): If additional space is needed, use reverse side.  
☐ Sole proprietorship.

Name of Owner:	
Residence Address:	
City, State, Zip	

☐ Partnership. Please give names and residence addresses of all partners. If a limited partnership, please indicate. (Limited partners need not be listed).

Name of Partner	Residence Address of Partner(s):

☐ Corporation. Please give names and residence addresses of officers (if applicable).

Chairman:	
President:	
Vice President:	
Secretary:	
Treasurer:	
State Incorporated In:	

This will acknowledge that I have received a copy of Marketing Order No.981, a copy of the Administrative Rules and Regulations and a list of Handler Responsibilities for the 2017/2018 Crop Year.

Signature	Title	Date

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0178. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

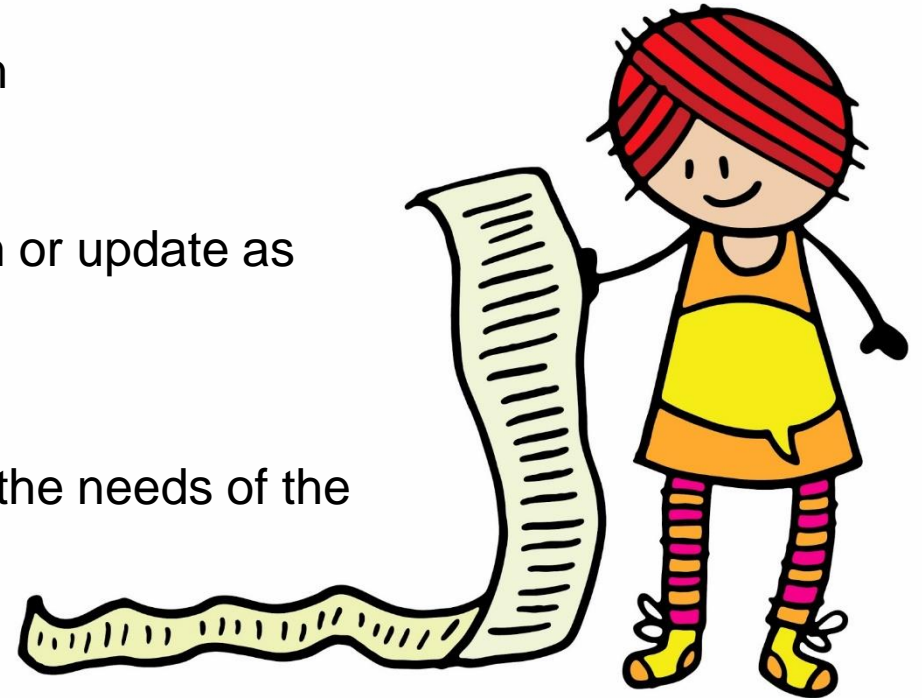
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# Grower Lists

- Each year handlers submit their grower lists to ABC for election purposes
- Every 5 years grower lists are needed for grower referendum
- List of current growers will be sent to each handler to confirm or update as necessary
- This step ensures that the Almond Board continues to serve the needs of the almond growers in California



# Handler Treatment Plan (HTP)

- Describes how handlers will comply with Pasteurization Rule requirements
  - Flow chart or description of how product will flow through the treatment process (post-treatment packing, identification, storage, etc.)
  - Labeling/Storage efforts to minimize potential cross-contamination
  - Treatment documentation
  - Inter-handler transfers
- Continuing handlers without any changes to procedures, treatment facilities, etc. only need to mark “No change to approved plan” and submit top page
- HTPs are due by May 31<sup>st</sup> of each year

HANDLER TREATMENT PLAN	
Handler Name	
Address	
CROP YEAR: 2018-2019	
Handlers will submit an annual plan to the Almond Board of California (Board or ABC) that outlines how almonds will be subjected to a minimum 4-log reduction of <i>Salmonella</i> bacteria contamination prior to entering commercial channels. <sup>1</sup> New plans need only be submitted if there are changes in procedures, treatment facilities, etc. Any changes to the Plan are to be submitted and approved prior to implementation.	
<input type="checkbox"/> New Plan	<input type="checkbox"/> Updated Plan <input type="checkbox"/> No Change to approved plan
I certify that the information provided in this Handler Treatment Plan is accurate. I understand that the Federal-State Inspection Service and the Board will verify documentation and procedures against this verification plan.	
Signature: _____	
Date: _____	
Return completed form to: Almond Board of California, 1150 9 <sup>th</sup> St., Suite 1500, Modesto, CA 95354 fax: (209) 550-5494	
SECTION 1: BACKGROUND INFORMATION	
Please confirm the destination of your almond shipments (check all that apply):	<input type="checkbox"/> Within the U.S., or to Canada or Mexico (treated and/or unpasteurized) <input type="checkbox"/> Exported to locations outside the U.S., Canada, or Mexico
Almonds shipped <b>within the U.S., or to Canada or Mexico, excluding those directly shipped to an ABC-approved DV user</b> , are subjected to a minimum 4-log treatment which has been validated and approved the ABC TERP <sup>2</sup> at: (check all that apply):	<input type="checkbox"/> This Location <input type="checkbox"/> Another Location <input type="checkbox"/> Custom Processor
ABC Approved Custom Processor(s): As an almond handler, I may choose to use an approved Custom Processor and process from the Almond Board List at the time of treatment. Prior to using a Custom Processor, I will verify that the process to be used has been validated and approved by the ABC TERP to achieve a minimum 4-log reduction for salmonella bacteria on almonds.	<input type="checkbox"/> I agree <input type="checkbox"/> Not Applicable – Exporting to locations outside the U.S., Canada, or Mexico only. Not using a Custom Processor. <input type="checkbox"/> Not Applicable – Treating all product In-house. Not using a Custom Processor.

<sup>1</sup> Exemptions are untreated almonds shipped under the DV program in the U.S., or to Canada, or Mexico, or untreated almonds exported directly or through a third party to other markets. Exempt shipments must be prominently identified as "unpasteurized." The lettering must be at least 1/8 inch in height. <sup>2</sup> Almond Board of California Technical Expert Review Panel.

# HTP Onsite Verifications

- Almond Board contracts with a third-party to carry out Handler Treatment Plan (HTP) onsite verifications each year
  - HTP Verifications usually happen in the spring
- Third-party auditors will look to ensure that handling activities are as described in the current ABC-approved Handler Treatment Plan
  - Shipment records review
    - Domestic Shipments
    - Export Shipments
    - Inter-handler Transfers
    - Industry Purchases
  - Pasteurization records review
  - Facility walkthrough
    - Labeling requirement
    - Storage segregation
    - Process flow



## POP QUIZ TIME

Handler Treatment Plans (HTPs) are due each year by May 31<sup>st</sup>.

TRUE

FALSE



# Other Requirements

- Form 7 – Inter-handler Transfers
  - Tracks almond shipments between two registered handlers
  - Helps to assign pasteurization/assessment obligation appropriately
- Inedible Obligation
  - Inedibles required to be sent to Accepted Users
- Form 8 – Inedible Dispositions
  - Tracks almond shipments between a registered handler and an ABC-approved Accepted User
    - Almonds not for human consumption
  - Required record for handlers to meet inedible obligation
- Inshell Credits
  - Available to registered handlers who ship inshell
  - Reduces inedible obligation to account for the inedibles that are sent out as part of an inshell shipment





10

- Form 7 is only required if a handler engages in an inter-handler transfer
  - Transfer of almonds between two registered handlers
- Transferring handler completes Part A
  - Include Variety, Kernel Weight, Lot ID, Pasteurization Status
  - Denotes whether assessment obligation is retained or not
- Receiving handler completes Part B
  - Confirms Variety, Kernel Weight, Lot ID, Pasteurization Status
  - Denotes whether assessment obligation is assumed or not
- Form 7s are an at occurrence form
  - Failure to submit appropriate Form 7s for inter-handler transfers will lead to inaccurate assessment billing
- Form 7 submitted via email or sent to compliance fax

Almond Board Fax Number: (209) 550-5494

OMB Approval No. 0581-0244  
ABC Form 7

### Almond Board of California Interhandler Transfer of Almonds

This report is submitted to adjust assessment and reserve obligations and is used in redetermination reports. It is in compliance with Section 981.55 and 981.61 of the Almond Marketing Order.

<b>Date of Transfer:</b>	
<b>Transferring Handler:</b>	From Plant at:
<b>Receiving Handler:</b>	To Plant at:

Description of Almonds Transferred						
Variety	Almonds Transferred			Almonds Treated to Achieve a Minimum 4-log Reduction of Salmonella Bacteria		
	Check One		Kernel Weight	No	Yes	*Lot ID
	Inshell	Shelled				
<b>Total:</b>						

The undersigned hereby certify to the Almond Board of California and to the Secretary of Agriculture that the information on this report is complete and correct.

#### Part A - Transferring handler check applicable selection.

I am retaining the following obligations:

<input type="checkbox"/> All Assessments <input type="checkbox"/> Reserve <input type="checkbox"/> None	<input type="checkbox"/> Administrative Assessments <input type="checkbox"/> Advertising Assessments
---	---

<b>Handler Signature</b>	<b>Title</b>	<b>Date</b>
--------------------------	--------------	-------------

#### Part B - Receiving handler check applicable selection.

I am assuming the following obligations:

<input type="checkbox"/> All Assessments <input type="checkbox"/> Reserve <input type="checkbox"/> None	<input type="checkbox"/> Administrative Assessments <input type="checkbox"/> Advertising Assessments
---	---

<b>Handler Signature</b>	<b>Title</b>	<b>Date</b>
--------------------------	--------------	-------------

\* Lot ID is a handler defined unique tracking number such as a contract number, Lot number, etc.

**Instructions:** Transferring handler must check applicable sections in Part A, sign and mail or fax copy to Receiving Handler and Almond Board. Receiving handler must check applicable sections in Part B, sign and mail or fax copy to Transferring Handler and Almond Board.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. This valid OMB control number for this information collection is 0581-0244. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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## POP QUIZ TIME

Form 7s are required for almonds purchased directly from a grower.

TRUE

FALSE

Form 7s are required for all inter-handler transfers between two handlers.

# Inter-Handler Transfer Received vs. Industry Purchase

- Inter-handler transfers received are purchased from a registered handler
- Industry purchases are almonds purchased from someone other than a grower (USDA Receipt) or registered handler (Inter-handler Transfer)
  - Typically these come from a broker/trader/etc.
- What if a broker and a handler are involved in the transaction?
  - Who do you pay for the almonds?
    - Handler – Inter-handler Transfer Received
    - Broker – Industry Purchase

Both inter-handler transfers received and industry purchases are claimed on Form 25-1 and reduce a handler's net shipments to account for receipt

**FORM 25-1**

[View Form 25-1 Instructions](#)

Period: 4  
Reporting Period:  
11/01/2018 to 11/30/2018

2018 4

OMB Approval No. 0581-0178  
Form 25-1  
[Print Form](#)

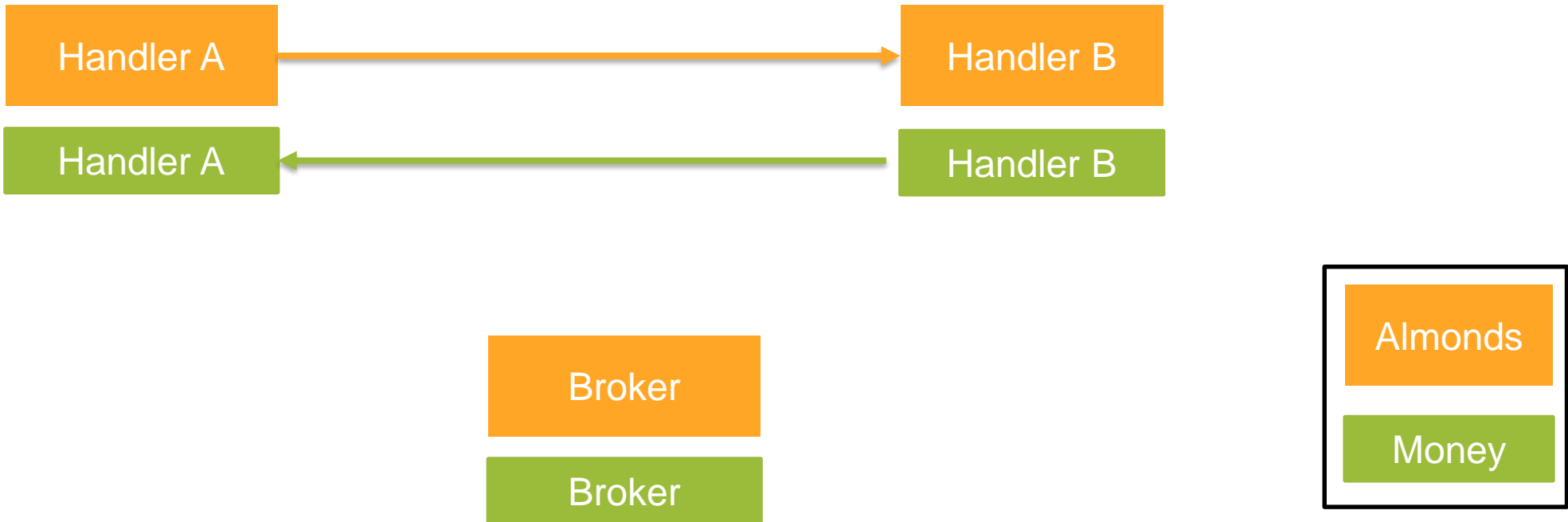
**REPORT OF SHIPMENTS AND COMMITMENTS**

ABC-25-1 is to be submitted in compliance with section 981.474 of Marketing Order No. 981, regulating the handling of almonds grown in California

Shipments	Current Period Total (Kernel Weight)		Prior Period Year to Date (Kernel Weight)		Year To Date Total (Kernel Weight)
Shelled		+	0	=	0
Manufactured		+	0	=	0
Products		+	0	=	0
Inshell (kernel weight)		+	0	=	0
Subtotal	0	+	0	=	0
Inter-handler transfers received			0	=	0
Industry purchase			0	=	0
Subtotal	0	+	0	=	0
Net Shipments	0	+	0	=	0
Exempt / Inedible		+	0	=	0

# Inter-handler or Industry Purchase?

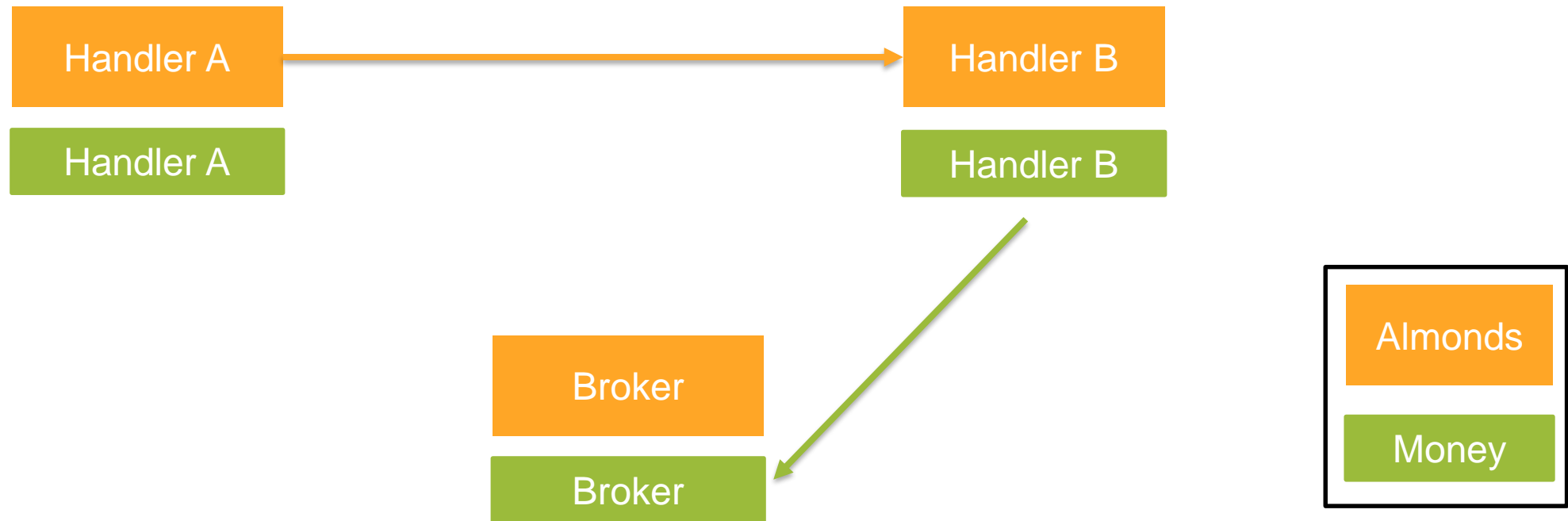
## Inter-handler Transfer





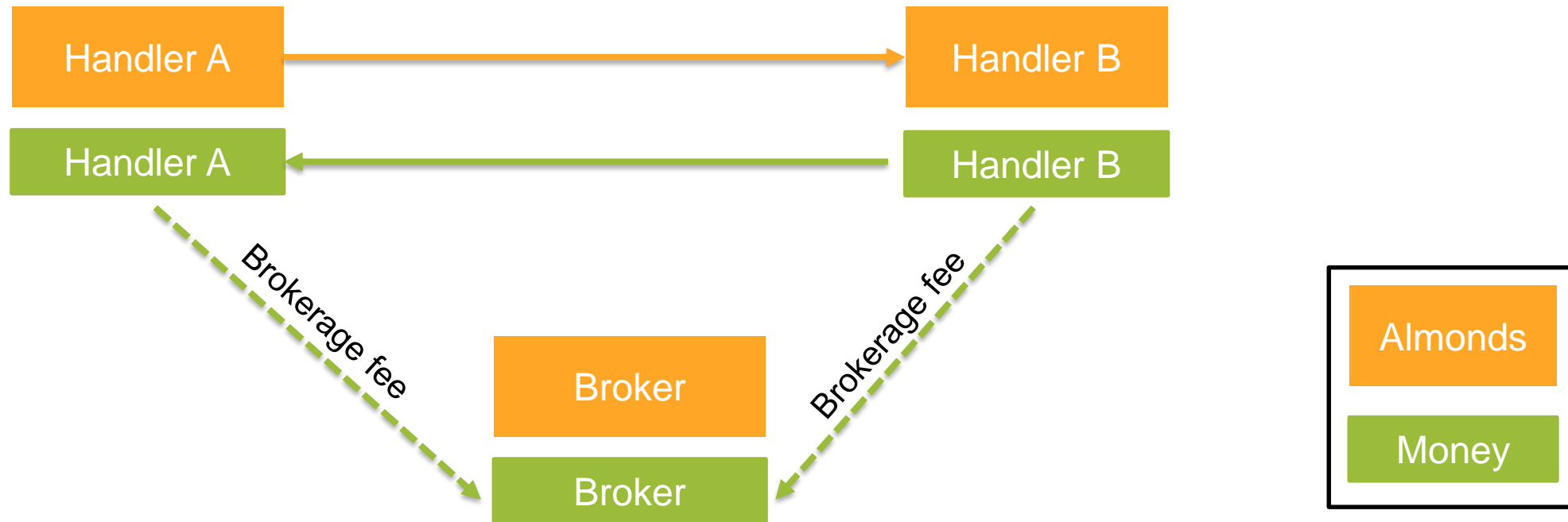
# Inter-handler or Industry Purchase?

## Industry Purchase



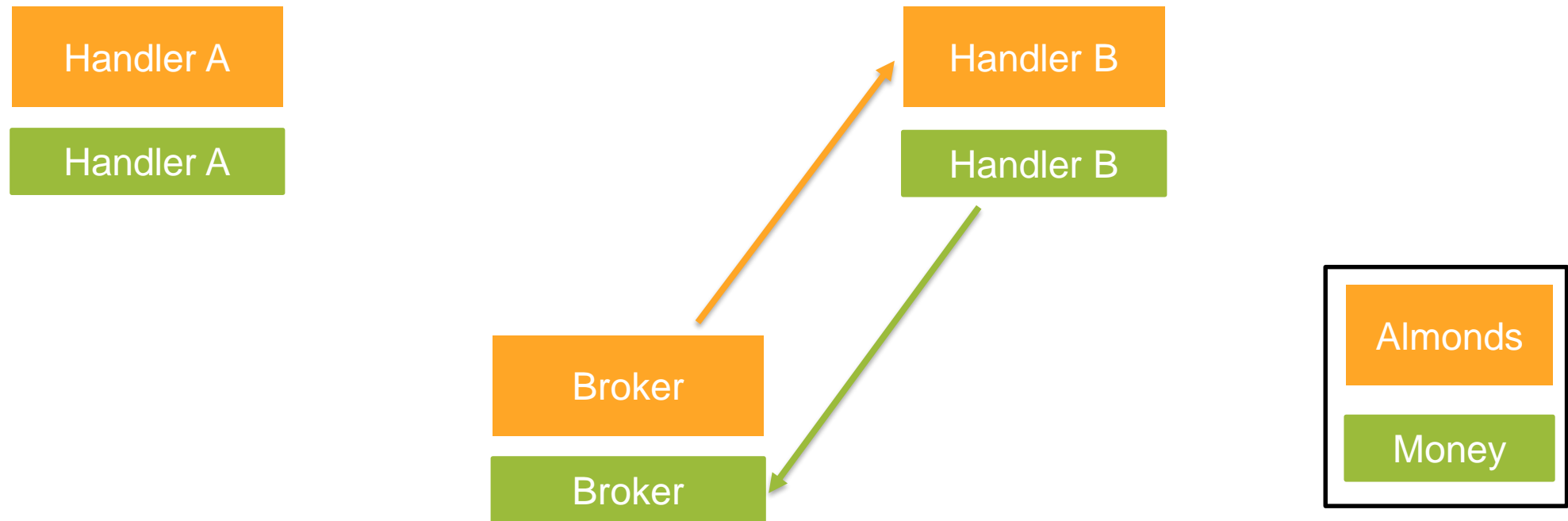
# Inter-handler or Industry Purchase?

## Inter-handler Transfer



## Inter-handler or Industry Purchase?

### Industry Purchase



Only treated almonds could be in broker's physical possession in North America

# Inedible Obligation

- Inedible Tolerance is 2%
  - Inedibles by variety in excess of 2% tolerance accrue towards a handler's obligation
- 50% of inedible obligation is required to be true inedibles
- Inedible obligations are due by September 30<sup>th</sup>

Almond Board of California							Q.C. REPORT SECTION THREE	
1150 9th Street, Suite 1500 Modesto, CA 95354-0840								
2017/2018 Crop Year								
Period: 08/01/2017 through 11/28/2018								
Incoming Dispositions Credited for: OLSON ACRE								
Date	Cert Number	Gross Weight	% Wt. Certified	Total Wt. Certified	% Inedible Certified	Total Inedible Wt. Certified	Accepted User	Comment
08/16/17	D2448	41,024	95.82%	39,309	19.18%	7,868	Dairy R Us	
08/17/17	D2449	44,782	93.43%	41,840	24.40%	10,227	Dairy R Us	
Totals:				81,149 *		18,795 **		

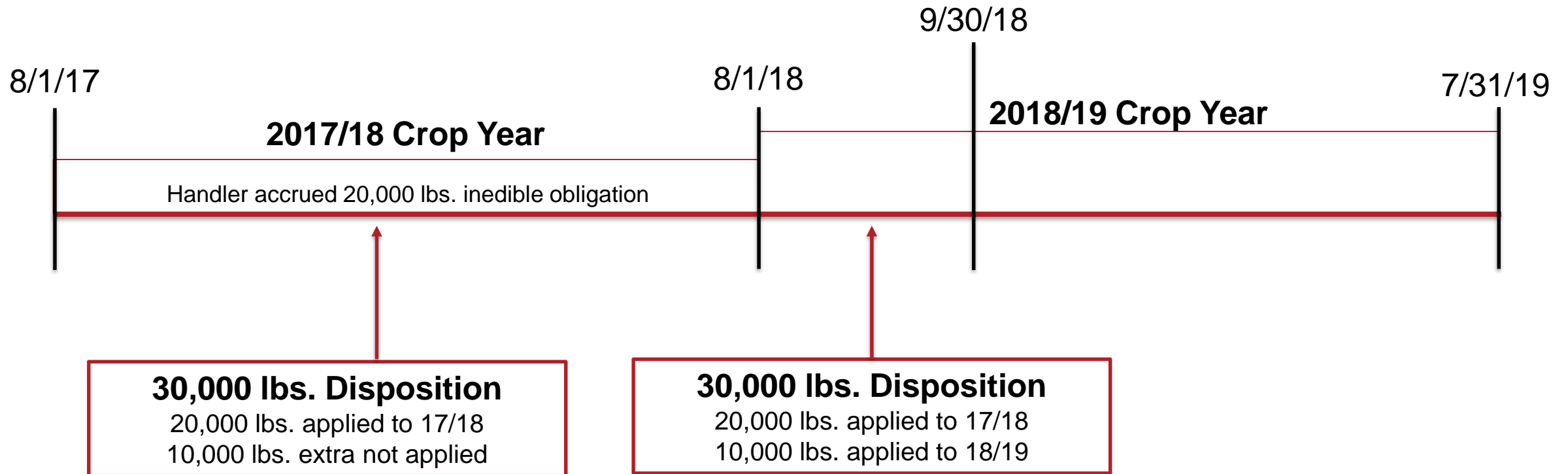
\* lbs have been credited to your 2017/2018 Crop Year Obligation

Almond Board of California					Q.C. REPORT SECTION ONE
1150 9th Street, Suite 1500 Modesto, CA 95354-0840					
2017/2018 Crop Year					
Period: 08/01/2017 through 07/31/2018					
Incoming Almond Receipt Certificates for: OLSON ACRE					
U.S.D.A. Inspection Certificates					
Variety	ABC Form 1 through 07/31/2018	Total Kernels (1)	Total Inedibles (2)	Less 2% of (1) (3)	Disposition Obligation (4)
Aldrich	356,127	356,127	2,705	7,123	0
Butte	768,512	768,512	5,108	15,370	0
Butte/Padre	111,974	110,549	1,049	2,211	0
Carmel	1,481,167	1,481,169	24,569	29,623	0
Fritz	572,139	580,528	8,050	11,611	0
Independence	0	68,474	757	1,369	0
Livingston	99,493	99,493	1,598	1,990	0
Mission	130,826	130,826	114	2,617	0
Mixed	14,100	14,100	172	282	0
Monterey	893,984	894,009	13,825	17,880	0
Neplus	20,072	20,072	155	401	0
Nonpareil	3,360,510	3,303,963	43,785	66,079	0
Padre	570,549	570,549	1,215	11,411	0
Peerless	1,674	1,674	42	33	9
Price	59,053	59,053	1,430	1,181	249
Sonora	165,934	165,230	6,464	3,305	3,159
Winters	55,286	55,372	1,778	1,107	671
Wood Colony	162,446	162,446	310	3,249	0
Totals:	8,823,846	8,842,146	113,126	176,843	4,087
Less Inshell Credits:					0
Adjusted Obligation:					4,087
Less Creditable Dispositions:					(81,149)
Remaining Obligation:					0
Estimated true inedible lbs. required to meet the 50% true inedible disposition rule:					2,044



# Inedible Timeline

Inedible obligation must be met by 9/30 following the crop year which it is accrued in



## POP QUIZ TIME

If a handler's average inedible percentage is under 2% they will not have an inedible obligation.

TRUE

FALSE

If each variety has less than 2% inedibles then you will not have an inedible obligation.

# Form 8 – Inedible Disposition

- Form 8 is required for any inedible disposition
  - Transfer of inedible almonds between handler and Accepted User
  - Inedible almond shipments not for human consumption
    - Crushing for almond oil
    - Mixing into feed
    - Feeding directly to livestock or poultry
- Handler completes Part A
  - Contracts with USDA for an Inedible Certificate
  - Includes Net Kernel Weight (NKW) calculation from Inedible Certificate
  - Lists the Accepted User, Delivery Date and Bill of Lading number
- Accepted User completes Part B
  - Completed when almonds are used for their intended purpose
- Form 8 submitted via email or sent to compliance fax

Almond Board of California  
1150 9th Street, Suite 1500  
Modesto, CA 95354  
Fax: (209) 550-5494

OMB Approval No. 0581-0178  
ABC Form 8

## ALMONDS: INEDIBLE and EXEMPT OUTLET DISPOSITION Notice of Delivery to Oil or Feed

This report of disposition of almond material is submitted in compliance with the requirements of Federal Marketing Order No. 981. In executing Part A and Part B, Handler and Accepted User respectively certify to the Almond Board of California and to the Secretary of Agriculture as to the correctness and completeness of their respective statements.

Part A (Handler to complete)				
<b>Instructions:</b> 1. Must limit deliveries to Accepted Users of Almond Board. 2. Must obtain official weight certificate on each load. 3. Must have Federal-State Inspection certify meat content. Sample must be drawn by an Inspector at time of delivery. However, Board may use oil crusher to sample at destination, giving sample to inspection. 4. Then complete Part A, mail or fax copy to Board with weight and inspection certificates. 5. Mail or fax copy to Accepted User.				
<b>Type of Material (Check One)</b>	<b>Weight of Material</b>	<b>Percent Meats</b>	<b>Net Kernel Weight</b>	<b>Inspection Cert. No.</b>
____ Pickouts	_____ lbs.	_____ %	_____ lbs.	_____
____ Blend of Meat	_____ lbs.	_____ %	_____ lbs.	_____
The above kernel weight of almonds was delivered to:				
Name of Accepted User: _____				
Delivery Date: _____ Bill of Lading or Invoice No.: _____				
Delivered By: _____ Handler: _____				
By: _____ Title: _____				

Part B (Accepted User to complete)	
<b>Instructions:</b> 1. On completion of disposition, complete Part B and send to Board along with destination public weighmaster certificate.	
Disposition of the above almond material has been completed by (check method):	
____ crushing into oil	____ mixing into feed      ____ feeding directly
____ transfer of _____ pounds to _____ (Accepted User)	
Date Action Completed: _____ Name of User: _____	
By: _____ Title: _____	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0178. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

# Where Do Inedible Shipments Go?

## Oil Mills





# Where Do Inedible Shipments Go?

## Animal Feed





# Where Do Inedible Shipments Go?

## Refuse/Landfill



# How a Handler Completes an Inedible Disposition

1. Make arrangements with Accepted User to take the disposition and set a date/time for the shipment
2. Give the Almond Board staff at least 72 hour notice with the following information:
  - a) Date/time of shipment, shipment location, name of Accepted User, Amount of product to be shipped
3. Give the same notice to USDA/SPI so an inspector can be present at time of shipment to pull a sample and determine the kernel weight of the disposition.
  - a) USDA/SPI will issue an Inedible Certificate (notesheet)
4. Handler must have a certified weight tag for the disposition shipment.
5. Handler completes Part A of Form 8 once the Inedible Certificate is received and sends to the Accepted User
  1. Forward copy of the weight certificate, inedible certificate (notesheet), and Form 8 (Part A) to the Almond Board

## POP QUIZ TIME

Handlers cannot ship unpasteurized almonds to an Accepted User without a Form 8.

TRUE

FALSE



## POP QUIZ TIME

Handlers are required to give 48 hour notice to the Almond Board in advance of any scheduled inedible disposition

TRUE

FALSE

**72 hour notice** is required prior to any scheduled inedible disposition. Notice should include the following information:

- Date/time of shipment, shipment location, name of Accepted User, Amount of product to be shipped

## POP QUIZ TIME

What items are required for completion of an inedible disposition?

FORM 8

WEIGHT CERTIFICATE

USDA/SPI INEDIBLE CERTIFICATE

FORM 7

10

- Since inedibles will be shipped with inshell loads, a handler can claim inshell credits to reduce their inedible obligation
- Inshell Credit form to be submitted to Toni Arellano
  - [tarellano@almondboard.com](mailto:tarellano@almondboard.com)
- Inshell credits are granted on a net kernel weight (NKW) basis
  - Crackout percentage will need to be used to determine NKW

[illegible]

## Other

- Pre-Export Checks (PEC) Program for shipments to the European Union (Aflatoxin)
- Almond Sampling Verification Program (ASVP) for Incoming Sampling
  - Samples drawn for inspection purposes while USDA/SPI is not onsite
- Direct Verifiable (DV) User Program
  - Allows for unpasteurized product to be shipped to a licensed DV User in North America
- Custom Processors
  - TERP-approved pasteurization on a toll basis



# Questions???

## Marketing Order Services Contacts:

**Bryce Spycher**

[bspycher@almondboard.com](mailto:bspycher@almondboard.com)

**Sabrina Poth**

[spoth@almondboard.com](mailto:spoth@almondboard.com)

**Sue Olson**

[solson@almondboard.com](mailto:solson@almondboard.com)

**Toni Arellano**

[tarellano@almondboard.com](mailto:tarellano@almondboard.com)

Thank you!



# What's Next

## **Tuesday, December 4 at 12:00 p.m.**

- Speed Talks: Nutrient, Salinity and Soil Health – Room 308-309
- Almond Breeding: Is There a Role for New Genetic Technologies? – Room 312-313
- FSMA Scorecard: How Does Your Operation Stack Up? – Room 306-307

## **Tuesday, December 4 at 12:30 p.m.**

- Almonds in the Global Marketplace – Room 314



**Join the social media  
conversation at  
[#AlmondConf](#)**

# What's Next

**Tuesday, December 4**

- State of the Industry – Hall C at 4:15 p.m.

*Be sure to join us at 5:30 p.m. in Hall A+B for Dedicated Trade Show Time and Opening Reception, sponsored by FMC Agricultural Solutions*

**FMC**