

**Meeting Minutes
Nebraska Wheat Board
March 10-11, 2010
Holiday Inn-Downtown, Lincoln, NE**

Board Members Present

Dan Hughes, Venango - Chairperson
Larry Flohr, Chappell – Vice Chairperson
Chris Cullan, Hemingford
Brent Robertson, Elsie
Von Johnson, Cambridge
Rick Larson, Potter
Delferd Schlake, Blue Springs

Staff Present

Royce Schaneman, Executive Director
Zoe Olson, Public Information Officer

Ex-Officio Member Present

Dan Duncan, UNL

Guests

Shawn Sullivan, NWGA
Paul Johnston, Farm Bureau
Jeff Noel, UNL
Scott Osler, NWGA
Dayton Christensen, NWGA
Michael Thomas, Jr., NWGA
Dr. Stephen Baenziger, UNL
Steve Pagler, NCIA
Mark Hodges, PGI
Bob Storant, NE Dept. of Ag
Susie Harm, NE Dept. of Ag
Kelly Anderson, Snitily Carr
Larry Putney, Snitily Carr
Darrell Hanavan, CO Wheat
Bobbie Wickham, NE Dept. of Ag
Kellye Eversole, Eversole & Associates
Dr. Tom Clemente, UNL
Stan Garbacz, NE Dept. of Ag
Sean Gardner, Monsanto

The State of Nebraska open meetings law was made available.

Chairperson Hughes called the meeting to order at 12:03 p.m. on March 10, 2010. Roll Call was taken with board members reporting on crop conditions. Members reported wet conditions but noted the moisture helped with winter blowing conditions and some greening is occurring.

Schaneman asked that the strategic plan item with Snitily Carr be moved to immediately follow Monsanto's presentation. **Schlake moved to approve the agenda as amended. Robertson seconded. Voice vote motion passed.**

The minutes from the previous meeting were reviewed. Johnson noted the word banking should be changed to baking on page two. Olson noted that the spelling of Stan Garbacz' name should be corrected. **Cullan moved to approve the minutes as corrected. Johnson seconded. Voice vote motion passed.**

Financial reports for January and February were reviewed. Hughes asked about the financial status of the board of monies expended as of the fiscal year and what the policy is regarding payment of contracts. Schaneman explained that all final bills are due by June 1 as stated in the contract and that a letter will be sent on all contracts as a reminder. He noted that the year end is looking good at this time. The revenue collection sheet shows 98% collection and compares collections to previous years. Hughes noted that projections should be met. **Flohr moved to approve the financial reports. Larson seconded.**

Roll call vote: Johnson-yes, Robertson-yes, Cullan-yes, Schlake-yes, Flohr-yes, Larson-yes, Hughes-yes. Motion passed.

Compliance reports were reviewed and no discrepancies were found.

Storant thanked the board for lunch and credited Harm for her efforts on the financial reports. He summarized the format and financial activities. Storant explained fee collection and that the Department of Ag provides an annual report on first purchasers. He encouraged the board to review their areas and get any changes to Schaneman or Olson. The State is still short in the general fund and it will be important to look at cash balances as of June 30. Schlake asked if there is a rule to follow. Storant stated there is no magic number but that an accepted practice is that carryover is no more than 25% of collections or spending output. LB793 would direct that the Legislature shall not transfer or appropriate funds from a cash fund for a use or to another fund unless the transfer or appropriation is specifically authorized by law. The bill is still in committee and on any day the legislature can change any law. Some senators are looking at cash fund balances at this time as more difficult budget decisions are to be made. Schlake asked if both unobligated and cash funds are reviewed. Storant confirmed that is correct. Cullan asked if programs can be prepaid. Storant noted that an entity or individual cannot extend credit of the state. Duncan noted that it would be possible to write a contract from now until July 1 then write new contract. The biennium budget process will increase scrutiny as this will be a base year. The Governor's budget office is looking for good calculations for the amount of spending authority requested. There must be a basis and reasoning for requested spending authority. Hughes noted that as this is a working lunch, the board is paying only for the lunches of the board, staff and presenters.

Sean Gardner of Monsanto presented information to the board on the current issues of biotechnology and public/private collaborations in wheat. Hughes offered appreciation for Gardner's time and presentation to the board.

Kelly Anderson from Snitily Carr presented the revised strategic plan. Schaneman noted that changes sent in by board members were incorporated as long as they met the strategic plan limitations. Hughes mentioned the appropriations committee has asked questions regarding the strategic plan. Flohr moved to accept the strategic plan. Schlake seconded. **Roll call vote: Cullan-yes, Robertson-yes, Johnson-yes, Schlake-yes, Larson-yes, Flohr-yes, Hughes-yes. Motion passed.** Schlake asked when the board would look at the plan again. Schaneman explained the plan will be reviewed annually.

Members reported on the US Wheat/NAWG winter meeting in DC. Johnson felt more was accomplished than last year. He reported that on the hill visits he discussed grain handling with Representative Terry and trade with Senator Nelson. He would like to see more than one visit per year and suggested the board have some members go back more than once a year. Larson sees the Urban Wheat Field as an opportunity to push the Hard White Winter wheat initiative. Robertson attended the joint biotech committee and communications working group where the discussion was focused on video conferencing and staff communicating directly with producers. Social media was discussed and producers were encouraged to keep involved with media. Nebraska producers are usually shown as good examples. Robertson also attended the Food Aid working group and the budget committee which reported 50-70% normal reserves. Larson believes the winter meeting is a good opportunity for both meetings and hill visits. He attended the joint biotech committee meeting and the Bayer Crop Science meeting. He met with Representatives Smith and Fortenberry as well as Senator Johanns. Larson also met with Karen Ross, Chief of Staff at USDA. Cullan met with Representatives Smith and Fortenberry as well as Senator Johanns. He reported that the HWW incentive program doesn't sound dead. Cullan

serves as Chair of the HWW committee. Flohr met with Representative Smith. He reported that the biotech meeting made an impression as he was able to learn more about the issues other crops have dealt with to make the plan move to avoid pitfalls. Hughes was more focused on the internal workings of US Wheat Associates and met with the auditors. He reported that Ohio has joined US Wheat and that the officer rotations have been affected with no clear definition of regions; a plan that was not acceptable to entire board. Schaneman commended the board on the good hill visits and noted that the maps went over well and that over all the board made a good impression. Robertson and his wife Amy have suggested building on the Urban Wheat Field with some additional activity to include Nebraska's Congressional members. Schlake asked if there is an opportunity to build on the meeting with Ag committees from other states.

Robertson reported on the Wheat Foods Council meeting held on January 20-21 in Denver. Discussions on the results of the strategic planning session in Kansas City were held and it was decided to explore partnering with another entity. Judi Adams from the Grain Foods Foundation gave a presentation by phone. International Foods Information Council, Dave Schmitt addressed related food issues and IFIC's scientific based pro-active approach to food issues. The IFIC foundation deals with how Americans connect with their food. Burson gave a report on the virtual wheat field and the Urban Wheat Field to be held September 23-24 in DC. The election of officers was held and Robertson was elected Secretary/Treasurer as of July 1. Olson reported that Lynn Holly asked if Nebraska would bring the NWGA mobile baking lab and if the NWB would cover the expenses as their additional contribution to the Urban Wheat Field. Sullivan asked if NAWG would have different hours for staffers. Robertson said they are looking at getting contacts. Flohr noted that Mrs. Obama is also working on child health issues. Hughes suggested getting VIPs through with an idea of a special pass for them on breaks. Larson and Cullan offered help with contacts at USDA, i.e., Karen Ross and John Birch. Schaneman noted that Nebraska has many connections and that we need to use them. Hughes cautioned that he does not want Schaneman to get burned out by working the event.

Schlake reported that Plains Grains Inc. met in Lincoln on February 2 and that each meeting is improving. Andy from Snitily Carr gave a report on the PGI website and they will also do brochure that can be used by all the states. Hodges gave a report on the survey and other efforts and is looking at a portable tester for protein in areas that normally don't test. The long-range planning committee is working on bylaws revisions for the next meeting. Schaneman presented a PGI growing region map similar to the Nebraska maps and PGI may do them for all states for minimal cost. PGI would like to offer a gulf tour similar to Portland. PGI is also looking into an econometric study. Hodges reported that OSU has a Dept Intern Program in which a one-year intern conducts a special project. In 2004, an Ag economist put PGI together. The Ag economist has agreed to provide oversight for an econometric study by an intern with support from an additional Ag economist. The financial review was conducted and the finances are all in order. Regarding the mill settlement with Kansas Wheat, PGI will not be using mills because of charges by KSU vs. free milling from ARS. PGI will pay Nebraska's share of mills and Nebraska will pay \$16,300 toward a future PGI project with an acceptable MOU. Schaneman noted this resolves the mills issue and allows Nebraska to fund a project with an MOU acceptable to state. Consistency to the process is important for the survey and ARS gives realistic results. Schlake noted that the people who are running the mills is critical and ARS has consistent personnel compared to the KSU students variables. Discussions were held about biotech and the possible agreements. Brad Seaborne addressed the upcoming survey and Hodges will do more field work collecting samples. Jay Armstrong from KS helped raise US Wheat's contribution to the survey. Hodges' evaluation is upcoming. The next meeting is in St. Louis April 12, 13 and may include a tour of Monsanto. Hodges expressed appreciation for the

Nebraska leadership. Montana is a new member. South Dakota is not a member but does pay for testing.

Schaneman reported the Wheat Quality Council met in Kansas City February 16-18. The meeting included the evaluation of varieties with lots of technical information and participation by industry. Schaneman visited with Glenn Weaver and received good information from him with the main messages to Nebraska – don't give up on white wheat.

Johnson reported good discussions with others in agriculture were a highlight of the Governor's Ag Conference. He appreciated the issues raised at the Governor's breakfast and felt the importance of social media for supporting agriculture was stressed. Hughes believed there was a lot of good information exchanged. Schaneman noted the emphasis on social media. He felt the Department of Ag did an excellent job of arranging the conference and thanked NWGA for providing wheat beer at the opening reception.

Schaneman presented the Middle East Crop Quality Seminar Report. Schaneman believes the overseas staff of US Wheat Associates is excellent. They have established excellent relationships and he noted the future younger generation involved in the wheat industry is sharp and US educated. He sees a need to keep consistency on the overseas staff. Schaneman traveled with Dick Prior who has worked in the region over 30 years. He presented HRS, HRW, HWW data from the 2009 crop. There were many questions on HWW and buyers are looking for volume. Schaneman shared his travel experiences. Larson asked how US business is in the region. Schaneman noted it is not as it should be as the U.S is getting beat on shipping costs. John Oades presented reasons why higher quality better is than cheaper, lower quality wheat with calculations and a wheat value matrix valuable one-on-one. Schaneman sees much potential with the number of people in that part of the world.

Sullivan presented the Nebraska Wheat Growers Association report. He thanked the board for a seat at the table and an appreciation for the good working relationship. He introduced the executive officers present at the meeting and reported that Kirk Foster had offered his resignation due to schedule difficulties and that the NWGA board had appointed Mark Daum of Dix to finish his term. Sullivan explained the committee structure established for NWGA that is similar to that of NAWG and that there has been a great response from the membership. Each officer will chair a committee and work to get more interaction. He noted membership is up and that the board is continuing to work on membership. The Commodity Classic ended on Saturday with Sullivan, Osler and Christensen in attendance. They received significant information on upcoming legislation. The mobile baking lab trailer has been updated with shelving, a sink and storage. NWGA has purchased a pickup from Performance Dodge after looking at all options of borrowing, leasing, purchasing used, and purchasing new. The benefits and costs were best with the new pickup and NWGA would like both boards and staff to use the pickup as needed. Hughes asked who will pay to take the mobile baking lab to DC for the Urban Wheat Field. Sullivan answered that the Wheat Foods Council has asked the NWB to sponsor the lab as its contribution to the Urban Wheat Field. Hughes asked what the contribution would be. Hodges reported that for the Urban Wheat Field in NYC, Oklahoma had expenses just over \$5,000. Hughes noted the baking lab is a tremendous project but must be careful not to overload staff. Robertson stated the purpose of the Urban Wheat Field is primarily an educational event and that lobbying would be a secondary activity. Olson reported that the mobile baking lab will be at the Iowa State Fair on August 13, 14, 15 at the request of ConAgra. She encouraged both boards to volunteer as there will be a need for all available help. Expenses are provided by ConAgra and this will be both an excellent outreach for Nebraska and a significant thank-you to ConAgra.

Duncan presented the UNL report. He thanked the members for the good job they did in DC meeting with Nebraska's congressional delegation. He noted all congressional members knew about the earmark proposal. Duncan reported that more budget cuts have been announced and all IANR cuts will be in the communications and technology unit. The Legislature will still need to deal with a \$30 million deficit and some believe there will be a \$700 million deficit in the next biennium. He stated that public/private collaborations may hinge on which entities are the easiest to work with. Johnson asked if there is a deadline. Duncan noted there is no suggestion that private entities may run out of money and that no one wants to be first or last. Schaneman requested a letter on sharing the R&D fees. Hanavan asked what experimental research the directors are discussing. Duncan stated they want to make the code of ethics legally binding, MTA, and are holding other discussions on how to work together. Duncan noted that drafts from multiple universities become complicated and unwieldy and that the Soybeans organizations have cautioned wheat not to bother with them. Germplasm exchange at regional nurseries will most likely take place. Noel pointed out the regional nurseries are under USDA/ARS.

Schaneman presented the office report. He explained that the Accountability and Disclosure Reports are due. Thank you letters were reviewed. Schaneman sent thank-you letters to Nebraska congressional members for visits and has received responses. He would like to update his phone due to service problems and believes better technology exists. His plan would not change but would upgrade his phone. Hughes asked if the phone is through the state. Schaneman confirmed it is. **Cullan moved to replace the phone. Robertson seconded. Roll call vote: Schlake-yes, Cullan-yes, Larson-yes, Robertson-yes, Johnson-yes, Flohr-no, Dan-yes. Motion passed.** Schaneman noted the Auditor's office had returned the cinnamon rolls delivered in the morning. Schlake asked when Carrie works in the office. Schaneman answered on Monday and Friday afternoons. He explained that US Wheat announced an internship, a potential intern contacted the office and PGI needs an intern. Carrie would like to stay on with NWB through the summer if approved. Hughes believes Schaneman should decide on the intern. Hodges would be interested in an intern shared with NWB especially for writing on a video project. There are two positions up for reappointment. Johnson and Robertson intend to apply for reappointment.

Kellye Eversole of Eversole & Associates gave a presentation on The IWGSC: Progress Towards Sequencing the Wheat Genome. Johnson asked how do researchers determine which chromosomes to look at and assign to a country. It is determined by scientists in each country in consultation with industry. Dr. Baenziger explained how countries select chromosomes. Hanavan stated if sequenced there is no need to do marker selected breeding. Robertson noted that Europeans are not in favor of biotech wheat but are investing in this project.

Schaneman reported the overseas varietal project is available both in print and cds.

Frank Curtis gave a presentation on LimaGrain and public/private collaborations. The board members expressed appreciation for his time and information.

Meeting recessed at 9:00 p.m.

Meeting reconvened at 8:31 a.m. on March 11, 2010.

Funding Proposals that were considered on First Reading included:

-PGI additional proposal for portable protein tester

- Journalism writing piece
- Bio Nebraska
- Bread 'n' Jam Festival the only bread baking festival in Nebraska
- Eversole and Associates – A discussion was held regarding the previous day's presentation and request for the proposal to be rewritten.
- Grains Food Foundation for a supporting membership – Schlake would like to see funds used to support the mobile baking lab. Johnson noted GFF is a national group. Schaneman noted GFF has many connections. Schlake felt that perhaps PGI should be a member.
- Home Baking Association pushing products domestically with options for membership
- IGP through KSU – Educational programs for a variety of audiences; however, the information can be gained from other states. Schlake felt the monies could be used to send NWB members to conferences to support Nebraska wheat. Schaneman said some services could duplicate those from PGI.
- KRVN Growing Wheat Well – NWB's share is a part of the total cost
- Midwest Messenger – inside cover of the fall seed guide
- NAWG – dues for growers
- NASS – variety survey, utilized for other services as well and as an option ConAgra may help fund
- Nebraska Ag Classic - asking for additional funds for continuing the conference
- Nebraska Department of Ag – auditing and fee collection
- NE Cooperative Council – first-time funding for current year
- NE Foundation for Ag Awareness Ag in the Classroom – Schlake questioned why no one from wheat is on the Foundation board. Schaneman stated NWB could ask for a place at the table.
- NWGA – information specialist, wheat issues monitoring, and mobile baking lab with no increase in monetary requests. Sullivan informed the board that NWGA is not requesting funding for a Wheat Industry Tour as the association believes the mobile baking lab offers more value.
- PGI – does not include membership quality testing only. Robertson asked if amount is comparable to past requests. Hodges stated the amount is actually less due to the fact that the mapping expense and development costs are now the only maintenance costs so total costs dropped. A match by US Wheat when submitted showed that everything PGI does is tied to testing. US Wheat has been paying 25%, however Jim Frahm countered that US Wheat would pay for testing only, but increased the match to 50% of cost so the monies remain about the same. Hughes asked what amount will be membership dues. Schlake explained that KS doesn't want membership dues so the amount is not set at this time. Last year the amount was \$4000 and will be divided between member states. There is a new proposal for NIR technology and Schlake would like to see that amount come out of this year's budget. Schaneman noted the mills issue has been hanging over the board for two or three fiscal years and so even though it is not a budgeted item, the unobligated funds would cover mill issue and put it to rest. Larson believes the purchase makes sense. Hughes would like to go through all the funding proposals and return to any to be acted on. Hodges stated the mobile protein tester would allow for the first protein information to be gathered and in a difficult protein situation it could be beneficial as it would be near real-time instead of the current 30-45 day delay. Schaneman stated that should PGI fail the equipment would be returned to Nebraska. Schlake noted that Nebraska elevators test for protein. Flohr asked if the tester would be certified and calibrated. Hodges said it would thorough the ARS lab in Manhattan and may become designated as the official machine nationally. Cullan informed the board that this is the machine that is used globally.
- UNL – LEAD has held steady for many years but has increased its request this year. Duncan stated LEAD has been spared budget cuts so far but is not immune and will need to fund drive to make the program self-sufficient. Schaneman stated LEAD is an extremely valuable program and sets Nebraska apart. Flohr believes LEAD has made invaluable contributions to Nebraska agriculture.

-UNL – previous research and new proposals were reviewed as part of the review, Dr. Tom Clemente was invited to address the board.

Dr. Tom Clemente gave a presentation on the establish pipeline a program to bulk up seed faster to test out west. Traits he is working on include nitrogen use efficiency in wheat that he is establishing in a growth chamber and a grad student will focus on the project in the fall. He is working on fructan and architecture modulation and noted that everything he is working on in sorghum he is also working on in wheat. Schaneman called attention to Clemente’s proposal. Schlake asked for Clemente’s opinion on Monsanto in the wheat industry and if NWB will be wasting time in funding if Monsanto will do the same work. Clemente stated that independent evaluation of traits would be critical and beneficial as germplasm will continue to be critical for agriculture and breeders are necessary. It will change breeding programs but not eliminate the need for public breeding programs. Only roundup was developed privately; all other traits have been developed in the public sector. There is power in numbers and individual universities are not big enough for technology transfer but if banded together would be powerful. Hanavan asked if UNL has the ability to patent. Clemente said of course as UNL patents all the time but that private is powerful because of the IP volume. If commodity boards don’t invest they will be left at the mercy of private industry. All companies are going after the same targets. Private companies are concerned less with R&D and see more value in an assembly line by cherry-picking traits from public entities. Schaneman asked if the North Platte site is the same as the WHEAT center. Clemente stated it is and Duncan noted Republicans are trying to get all to sign on to “no earmarks”. Democrats have agreed to no earmarks that benefit private companies so there is no way to know how policy will play out. Clemente believes the center may need to be pieced together. Duncan noted the request is mostly for equipment and that the donor still interested but UNL doesn’t want to take on the project if it can’t be developed to its full potential. Clemente is planting three SW varieties he would like to evaluate in winter wheat varieties but will start on spring wheat to determine the possibilities.

Schaneman noted UNL has submitted 18 total projects, 13 previously funded and 5 new and that Duncan usually requests which ones UNL wants presented at next meeting Baenziger will rank the proposals if asked and there is always the option to not fund fully. Schaneman will ask to rank his projects but asked the board to keep in mind UNL’s developing biotech tools are funded by R&D fees and thus won’t appear in last year’s budget. Hughes asked what monies are available from R&D. Duncan believes there is enough in the R&D fees fund to continue funding for the future year and may be able to give a funding report at the next meeting. Hughes asked if fees will be down for next year’s projection. Schaneman noted that the budget is based on \$700,000 income and doesn’t know about carryover. There were 1.5 mil acres planted but won’t all be harvested or marketed. He took 98% x the average yield x the checkoff rate for a preliminary budget. Hughes noted \$846,000,000 for the current year so funds will be down.

-USDA – proposal by Satyanarayana Tatineni. Schaneman noted this is the first proposal received from this researcher and there is a proposal from Bob Greybosch.

-US Wheat Associates has a large increase from last year as they are expecting good years and catching up from last year.

-Wheat Foods Council – increase in assessment

-Wheat Marketing Center – has four proposals. Robertson asked how many we have funded. Cullan answered two last year. Shelton’s first priority is the wheat seminar for wheat producers. Schaneman stated NWB has been thanked many times for equipment but that they will slow their requests for equipment.

-WQC – assessment

- Whiteside and Associates – transportation issues
- Whole Grains Council – new proposal last year

Schaneman expects there will be more proposals for the next meeting and has received an FFA foundation request too late to print for this meeting. Hughes considers the explanations given as a first reading and to accept as first reading of proposals.

Garbacz expressed appreciation for the return on investment comments presented by NWB at the Governor's Ag Conference breakfast and conveyed the message that President Milliken liked the emphasis on the worth of research. He has returned from Tokyo trip that he had previously informed board about. While it was understood proposal didn't give emphasis on Nebraska wheat the trip did have Mark Spurgin, Keith Olson and Jason Lavene and wheat was brought up in discussions. The bottom line is most countries visited will have an ag tie although it may not be direct to wheat, it can be beneficial in the long run and he encouraged the board to consider participation in future events. There is an outside chance that there may be another opportunity in August and he encouraged the board to look at trade trips from a variety of angles. Larson asked if the group fielded any questions on biotech wheat. Garbacz stated there were not specific to wheat but biotech discussions in general were more positive than anticipated. He believes the European perspective is changing.

NWB issues were addressed. Johnson asked for a clarification of "promoting" on the Accountability and Disclosure report. Schaneman stated it prohibits personal promotion. IGP reported a budget error for FY 07-08. Schaneman received a call from IGP regarding the problem. NWB paid the contract in full and the monies went to sponsored programs; however, IGP neglected to show performance to sponsored programs and Schaneman requested a letter requesting sponsored programs be allowed to release \$6500 to IGP. This causes a problem because contracts require the return of unused funds within 30 days and this is significantly over 30 days. The letter received was in the form of an agreement for NWB to release funds to IGP with no explanation. State policies preclude release of funds to IGP and NWB should request monies returned with or without interest. Flohr noted IGP didn't fulfill the contract. Schaneman stated there are two options: (1) ask for monies back or (2) ask to use funds this fiscal year to benefit IGP. The letter does not state fulfilling Nebraska's mission. Hughes asked if Nebraska was the only state with this issue. Schaneman stated CO also was contacted. Hanavan stated there was a problem with the mills issue and CO did a no-cost extension but is not under same constraints as Nebraska and if CO was he would ask for monies back. Cullan believes NWG should ask for funds returned. **Johnson moved to ask for return of funds without interest. Flohr seconded.** Larson asked if a new proposal would work. Schaneman explained that it would not work in the timeline without calling a special meeting specific to this topic. IGP also didn't receive funding for last year due to non-fulfillment of contract, yet NWB is still receiving bills. IGP asked Schaneman not to contact KSU sponsored programs to clear up the billing issue and the promised letter did not come until the letter from FY 07-08. Schaneman has asked for separate letters clarifying each issue and letters have not been received. **Roll call vote: Schlake-yes, Larson-yes, Robertson-yes, Johnson-yes, Flohr-yes, Hughes-yes, Cullan-yes. Motion passed.**

Schaneman received a call from Melissa Kessler regarding the Hand That Feeds US regarding the NAWG's issue with collecting the needed sum for a board seat. There are three options for funding: redirect, no action, or direct to the organization in NWB's name. Hughes suggested taking no action until the June meeting as the funds are budgeted but not spent and may need to be allocated to a specific project and asked Schaneman to communicate non-action to Melissa.

Duncan presented a UNL letter pertaining to funding for a project from Bob Klein. Accounting did not complete and submit the form necessary for second-half billing on project and UNL is looking to correct FY 07-08. Duncan expressed understanding if NWB did not want issue funding but the project in Holt County did fulfill contract. Schlake asked where the money goes if paid after the end of the contract and doesn't believe NWB should pay to correct an UNL accounting mistake. Hughes asked where NWB funds would come from. Schaneman explained the funds would come from unobligated funds and would require additional motions to move funds and sufficient back-up documentation. Cullan stated documentation can decrease value. Johnson believes an honest mistake should be corrected. Flohr noted the board made a commitment to pay but simply wasn't billed and would have paid if billed. Hughes noted money was used by NWB wasn't billed. Schaneman asked what would happen if NWB doesn't pay. Duncan stated there would be negotiation on who does pay but would Bob Klein's responsibility. Hughes wants consistency in decision-making for integrity of the board. Schlake asked if there is a no-action option. Schaneman asked about the timeline. Duncan stated there was probably not a timeline. Hughes asked if the board wanted to leave the issue until the next meeting or move on the issue so UNL could move forward. **Larson moved to pay the funds to UNL. Johnson seconded. Roll call vote: Cullan-no, Flohr-yes, Hughes-no, Johnson-yes, Schlake-no, Robertson-yes, Larson-yes. Motion passed.**

Schaneman explained the issue surrounding the NET letter regarding the showing of *Food Inc.* with agriculture's argument being NET doesn't allow bias but that showing *Food Inc.* was bias. NET will continue to air but will meet with ag groups. Duncan discussed the *King Corn* fiasco. Schaneman reported that at a this week's AFAN meeting bylaws were changed to allow it to be an entity for a more proactive approach to dispel myths presented by ag attack groups and has held focus groups and asked for NWB participants for AFAN's board. There is an attempt to keep ag together to prevent the divide and conquer strategy of HSUS and Schaneman would expect a funding proposal from AFAN before next meeting.

Schaneman asked if the board is interested in meeting with ADM, General Mills and Horizon Milling for candid discussions similar to the ConAgra meeting. The companies are willing to meet with the board. ADM will meet either in Kansas or Nebraska; General Mills and Horizon Milling are willing to meet with interested board members. Larson, Schlake and Flohr will meet with companies and report back to the full board. Schaneman will set up the meetings.

NWB organizational assignments were reviewed. Hughes agreed AFAN will be the coordinating group for Nebraska agricultural issues. Schaneman reported AFAN has two committees: educational and financial and that AFAN meetings will move around the state. Schaneman congratulated the board members on their involvement and leadership roles in the wheat industry. Hughes asked that UNL include Johnson and Larson in biotech issues.

Schaneman informed the board that the State has requested all non-code and code agencies come up with an internal control plan which he has submitted and is under review. The plan will probably be in next meeting book for board's review.

Hughes was asked by Smith to serve on the Ag Advisory Council.

Cullan moved to waive the second reading and approve the purchase of a protein tester for use by PGI in the amount of \$16,300 with funding moved from unobligated funds. Larson seconded. Roll call

vote: Dan-yes, Flohr-yes, Johnson-yes, Robertson-yes, Schlake-yes, Larson-yes, Cullan-yes. Motion passed.

The Eversole and Associates request for travel funds for current fiscal year was discussed. Robertson would like to see two separate proposals but noted that timing would be out of line for the next meeting and that the board would need to waive a second reading in order to fund for this year. Duncan informed the board that UNL needs prior approval on travel. Additional discussion was held with no action taken.

Schaneman informed the board that for spending authority of \$1.4 mil NWB retains \$450,000 in reserve which will require a change in board policy to reduce the reserve amount. The Governor's budget office sees the reserve as too high, however, this year is tied for the lowest plantings and if weather event occurs, NWB may not have sufficient funds for programs.

Frank Curtis left business cards for board members and staff.

Schaneman announced the FFA association has asked if anyone wants to judge for awards April 7-9 at the Cornhusker. Lunch will be provided.

Larson thanked Schaneman and Olson for making changes to meeting with little notice to bring the transgenic information together.

Calendars and future travel was reviewed. The next meeting will be June 15 -17 in Sidney. The June 17 event will be in the afternoon or evening. **Larson moved to approve the calendars and travel. Schlake seconded. Voice vote. Motion passed.**

Flohr moved to adjourn. Robertson seconded. Voice vote. Motion passed.

Meeting adjourned at 12:35 p.m.

Respectfully submitted,
Zoe Olson