

Meeting Minutes
Nebraska Wheat Board
August 19, 2008
North Platte, NE

Board Members Present

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

Ex-Officio Member Present

Dan Duncan, UNL

Guests

Scott Osler- President NWGA
Mike Keenan, NWGA

Staff Present

Royce Schaneman, Executive Director
Zoe Olson, Public Information Officer

The State of Nebraska open meetings law was made available.

Chairperson Cullan called the meeting to order at 9:00 a.m. Roll call was taken with board members reporting about the present wheat harvest and planting prospects.

Zoe Olson was introduced as the new Public Information Officer for the Nebraska Wheat Board. Olson has also been hired by the Nebraska Wheat Growers Association in a part-time position.

Guests were welcomed.

Schaneman requested an emergency request for funding at UNL be added to the agenda under funding proposals. **Flohr moved to approve the agenda as amended. Larson seconded. Voice vote motion passed.**

Schaneman noted that Wheat Growers numbers in the minutes needed to be adjusted by last year's information. **Hughes moved to approve the minutes as corrected. Schlake seconded. Voice vote motion passed.**

The financial report was presented by Schaneman. There has been an improved process with Department of Ag and fulfilling the request by board members. The new format shows a breakdown of the FY 2008-2009 with detail by category. Schaneman reported the July expenditures and the detailed corrected budget for March – June 2008. The general ledger sheet will show everything. All contracts have been assigned a number for better tracking and a break down of expenditures based on the percentage used is reported. The ending cash balance for the end of June and the beginning of July were not the same. The board had questions about the adjustment of the fund balance which Schaneman investigated and reported back to the board that the ending balance information previously requested in the meeting had been received and the amount was off due to an end of year adjustment and that the board started July with a clean slate. There will be an adjustment for expenses submitted in July but paid in August. Carryover of funds for investment is not possible with state money. Duncan reported that the flexible fallow money had not cleared due to quarterly accounting process differences between the state and UNL – corn had the same issue. Robertson questioned a 50% use of the travel budget used in July. Schaneman explained much of the amount was due to Portugal trip. Board members agreed the new format is good. Robertson moved to accept the financial report. Larson seconded. **Roll call vote: Larson-yes, Robertson-yes, Hughes-yes, Cullan-yes, Schlake-yes, Flohr-yes, Johnson-yes. Motion passed.**

The Nebraska Wheat Growers report was given by Osler who thanked the board for funding. NAWG reports confusion over Farm Bill and a conference call meeting regarding the crop insurance question looks

as though there is one combination package with options still open. NWGA needs to improve presence in state but has plans to improve.

Osler stated that NWGA is enthusiastic about the Nebraska Wheat unified presence and sees this as a positive move. NWGA is looking to move monies from Business Farmer to Nebraska Farmer to improve audience and would like to work with the Wheat Board on a joint process and will return to the Wheat Board with a proposal to move from the Business Farmer to the Nebraska Farmer. Larson suggested Olson report on pros and cons and suggestions for advertising dollars and promotions and that the Board rely on her expertise. Other publications suggested were High Plains Journal and Fencepost. Hughes suggested advertising personalized to wheat in Nebraska must be coordinated with the growers. Schlake requested Olson complete a study of the publications for the board.

Hughes noted that Colorado and Kansas offer localized growers meetings prior to planting in order to disseminate wheat variety information. Keenan attended a wheat production clinic in Mead – the growers are looking to offer this type of meeting in June in the Panhandle. The program may include plot tours. Flohr agreed that June was the best time for wheat growers at high Plains.

Robertson asked about the problem Senator Nelson's office had with NAWG. Osler spoke with Daren Coppock as soon as requested by the board. Coppock and Schaneman had a good discussion about the HWW issue and NAWG should be working to improve the relationship. Senator Nelson's office has a good relationship with Nebraska Wheat but is not ready at this time to hear from NAWG. Schaneman questioned whether withholding funding would get any attention from either US Wheat or NAWG.

Schaneman reported on the recent visit by two members of the Cuban trade delegation on July 31. They arrived in NE from a potato meeting in MT and spent a total of five days in NE looking at wheat, soy beans, dry beans and spending time with the Governor. The Cuban representatives were a negotiator and a phyto sanitation expert. Nebraska Wheat participants lead the tour of the Panhandle research center, visited Cullan's seed operation and watched harvest at Cullan's. Schaneman reported this was a good educational event for the Cuban team. Larson escorted the Cuban team to Cabela's. Gifts of combine replicas presented to the team were extremely well received especially in light of the fact that one member rode in a combine during harvest. Flohr, Larson and representatives from Frenchmen's Valley joined Schaneman and the team for dinner. Cuba purchases a year supply of wheat at a time and is looking to negotiate new deals in October and November and Schaneman is hopeful the state is pursuing this opportunity. Cullan said working with the trade team was beneficial and rewarding and good for exposure for Nebraska Wheat. Larson reported it was a great experience and very rewarding. Schaneman thanked everyone for their help.

Schaneman reported on his trip to the World Staff Conference for US Wheat in Portugal. He thanked the board for the opportunity. All foreign-service offices and 5 states were represented.

Guatemala will be coming to the state through the Department of Ag. It is expected that the Secretary of Agriculture for Guatemala and staff will visit the state to learn more about educational property, GM crops and biotech issues. Tom Clemente at the Beadle Center will be making a presentation on August 28 at 10 a.m. the Growers are funding Thunderhead Wheat Beer at the barbeque at Ibach's home. The details are limited at this time but the state is developing a relationship with Guatemala.

Schaneman presented letter from the Governor's office regarding a Brussels trip and the invitation for Nebraska Wheat to send a participant. Duncan reported the focus of the trip is to open Europe to GMO. The Governor will be testifying before Parliament and Duncan would like a brief to the Governor about why wheat GMOs are important. Schaneman requested talking points from NAWG via Daren Coppock and US Wheat and will send them to the boards when they are received. Duncan stated that Europe imports some durum but not HR. Larson said looking at the future for GMO in Europe and Japan it is necessary for competition with other grains and increased yield is important. The board passed on sending a representative.

Schaneman reported he had spoken with Stan Garbacz of the Department of Ag and the wheat part of the joint trade mission with beef in Hong Kong was pulled because of issues that made it not economically beneficial.

The Wheat Board has not been billed by High Plains Journal for their reporter who participated in the Latin American trip.

Japan's trade office sent an invoice to participate in trade office. Schaneman recommended declining the invitation.

Duncan reported the numbers for IANR are up another 10% while enrollment at UNL remains flat. Duncan will have exact numbers to report at the next meeting. Duncan believes the animal science growth is attributable to scholarships, the reworking of course titles and internships. He reported that UNL has signed the first agreement in the world with Hangzu China for a joint research project that will provide significant interaction with China plus more students. Larson asked what benefit there would be and Duncan explained the economic benefits would be in money for tuition, additional students and in future trade. The board asked whether an incoming alternative crops breeder had been hired and the information has not been released at this time.

Schaneman reported that the policy manuals are close to being completely updated. All current corrections have been highlighted in yellow. After feedback from the board the handbook will be finalized. Robertson noted on page 41 the term should be WFC instead of IGP.

HW samples have been sent to Gary Hou. Cullan will have high protein numbers from the elevator for HW Quality Survey. Hug is requesting 100 lb sample for End-use Products Collaborative (EPC) that will replace Asian Products Collaborative (APC).

The NE Coop Council requested funding. Flohr questioned policy impact. The board is unable to fund state lobbying.

Schaneman requested input regarding a scholarship from the board. No decision has been made previously but it would be a good line item for allocated funds and may assist an agronomy student. Robertson requested Duncan to research funding a scholarship at UNL with an agronomy biotech area. Cullan would like the scholarship in place for the next academic year. Schaneman noted that we have had amazing interns and are looking for a future intern due to Ellen's departure for school. Flohr has a prospect. Schaneman asked whether the board wanted specific proposals. Flohr stated he liked the scholarship and the internship ideas.

Thank-you notes from various sources were highlighted. Hughes thanked the board for the flowers sent to his father-in-laws funeral.

Cullan is waiting for emails regarding goals for the board and the subject was tabled to the next meeting.

Larson reported on the excise tax collection issue with Wyoming double taxing producers. Members expressed the belief that this may be a Crossroads issue. Flohr will look into the situation at Pine Bluff/Burns. Schaneman reported that Katie Spahn of the Nebraska Attorney General's office is aware of the situation. Hughes sees this more of a Wyoming issue and would like the AG to pursue the matter.

Schaneman thanked the board for participating in the harvest report and noted it was very popular and the office received lots of positive responses. The report was forwarded to Mark Hodges of Oklahoma and he sent it worldwide. Robertson asked if the office would like information during planting season. Schaneman would like information regarding planting, protein levels in grainsheds.

Olson introduced the new website and outlined the steps being taken to get it to go live. She expanded on the concept of branding with the new promotional handouts and shirts for members of each board. The members also received new business card holders and business cards with the new look. Robertson would like to see growing points from Pioneer Seed or a similar program on the website.

The board reviewed the Husker Sports Network proposal; however, they found it to be outside the needs of the board and asked Schaneman to convey the board's regrets to HSN.

Schaneman reported on the biennium budget process. Currently the board is asking the legislature to approve an annual budget of \$1,450,000 for each of the next two years. When the narrative is complete the biennium budget will be submitted to the legislature. Any adjustment off the normal standards will need to be justified.

Advertising will begin soon for a support position for the office although the job would entail more accounting duties. The biennium budget process is on course and in good shape. Schaneman relayed a recommendation to add an unallocated line item to allow flexibility for issues that may arise during the year. **Johnson moved to add \$180,000 unobligated funds as a line item for unexpected projects during the year. Flohr seconded. Roll call vote: Johnson-yes, Flohr-yes, Schlake-yes, Cullan-yes, Hughes-yes, Robertson-yes, Larson-yes. Motion passed.**

Schaneman reported on funding proposals for first reading: Gary Hergert, UNL Panhandle Research and Extension Center Plot Combine Repair Emergency Request for Funding - \$25,000 for engine repair. The board is waiting for additional information before second reading.

Schlake as PGI Secretary/Treasurer reported on the July 28 meeting in Kansas City. The PGI board has been reorganized and asked for \$175,000 to get administrative processes going. NE funded at \$26,250, KS did not budget any amount for PGI therefore the budget committee was unable to progress due to a lack of 1/3 of the required funding amount. Kansas will be submitting a proposal to act as consultant for PGI. Nebraska needs to look out for its own wheat issues but needs to look out for national and international issues as well. Schlake suggested members Google "Plants for the Heartland Minutes of Meetings" for a look at agendas being discussed that have the potential to affect Nebraska's efforts for regional interaction. Schaneman reported on issues related to PGI discussed at the World Staff Conference. Schlake asked for direction from the board before the next PGI meeting. There were discussions regarding the purchase of mills for quality testing and a Montana/South Dakota inclusion into the HRW testing.

Hughes, Schlake and Johnson reported on the U.S. Wheat Associates meeting. Hughes invited all board members to participate in US Wheat activities and reported it was a good meeting. Schlake reported about issues in the gulf and problems regarding staff turnover due to retirements and loss of experience. Johnson reported there seems to be a GMO stance change. Hughes shared HWW USDA handouts and the information shared with representatives from USDA. Schaneman reported that Kansas had a proposal at World Staff for HWW program in which the states would designate varieties planted with certified seed would offer a percent of acreage incentive. If the proposal is based on FSA acres, Hughes sees a benefit to the Kansas proposal. South Dakota is working on a separate proposal.

Schlake reported on head blight. A letter about spraying concerns on the fungicide was sent during the season. There were educational meetings for applicators. Heavy discounts were experienced. Sygenta needs informational work on the label instructions; however, this probably won't be a problem in the near future.

Robertson reported on the Wheat Foods Council in Minnesota. WFC is operating on a deficit and is addressing the issue. The Urban Wheatfield is scheduled for October 6-8 and we are still working with Case to get a combine there. There will not be a merger of the Grain Foods Council and the Wheat Foods Council. Robertson commended the WFC on all it accomplishes and noted it has good staff and is a good source of information.

Schaneman requested names for the Portland trip before the next meeting.

Hughes moved that the next board meeting be held October 3 in North Platte at the Hampton Inn from 8-5 CT. Flohr seconded. Roll call vote: Cullan-yes, Hughes-yes, Robertson-yes, Johnson-yes, Flohr-yes, Schlake-yes. Motion passed.

Hughes moved to approve dollar amounts for new promotional products \$4,987.19 pizza cutters, \$1,571.15 bread clips, \$1,891.01 pasta portion-it, \$8,449.35 total. Larson seconded. Roll call vote: Schlake-yes, Flohr-yes, Johnson-yes, Larson-yes, Robertson-yes, Hughes-yes, Cullan-yes. Motion passed.

Larson nominated Hughes for Chair of the board. **Johnson moved that nominations be closed and the board cast a unanimous vote for Hughes. Schlake seconded. Voice vote motion passed.**

Schlake nominated Flohr for Vice Chair of the board. **Larson moved that nominations be closed and the board cast a unanimous vote for Flohr. Johnson seconded. Voice vote motion passed.**

Hughes will make new committee assignments if needed.

Meeting adjourned at 4:30 p.m.

Submitted by Zoe Olson