

**Meeting Minutes  
Nebraska Wheat Board  
August 27-28, 2009  
Nebraska Wheat Board Office, Lincoln, NE**

**Board Members Present**

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

**Guests**

Scott Osler, NWGA  
Paul Johnston, Farm Bureau  
Sharon Davis, Home Baking Association  
Joe Parsons, USDA NASS  
Frank Johannsen  
Karoline Kastanek

**Ex-Officio Member Present**

Dan Duncan, UNL

**Staff Present**

Royce Schaneman, Executive Director  
Zoe Olson, Public Information Officer

The State of Nebraska open meetings law was made available.

Chairperson Hughes called the meeting to order at 1:05 p.m. on August 27, 2009. Roll Call was taken with board members reporting on harvest. Robertson reported that harvest was good to phenomenal if it missed the hail. Cullan reported that the harvest was good in fields that weren't hailed, but that some irrigated wheat was not as good as expected. Johnson reported a good harvest with above average yields although some late rains did result in a little shatter problem. Schlake reported no disease problems this harvest. Larson reported an extremely good harvest without hail. Flohr reported excellent yields except where fields were hailed and those farmers who had not fertilized had low yields and so they were disappointed. Hughes reported hail damage late in the harvest but noted that the irrigated wheat had phenomenal quantity but with lower protein.

Hughes introduced guests and welcomed them to the meeting.

Hughes noted the tour of Keim Hall and meeting with John Owens would take place at 3:15 and that there would be changes to the office report. New copies of the agenda were distributed. **Schlake moved to approve the agenda as amended. Cullan seconded. Voice vote motion passed.**

The minutes from the previous meeting were reviewed. **Cullan moved to approve the minutes. Larson seconded. Voice vote motion passed.**

Schaneman provided copies of the May, June and July financial reports received since the meeting books were sent out. Robertson questioned over amount on the line item for Policy Development for NAWG. Schaneman will check on the information and report back to the board. Flohr questioned why the wheat website appeared to be over contract and Robertson noted that it appeared to be entered on the wrong line that the expense should have been entered on printing. Schaneman will make sure the

items are corrected. Cullan asked what percentage of revenue is remaining. Flohr noted that revenue is 91.42% of the budget. Delferd questioned what amount budget was based on as it looks that revenues are ahead of projections by approximately \$70,000.00 due to higher yields. All financial reports were reviewed. **Robertson moved to approve the financial reports. Flohr seconded. Roll call vote: Cullan-yes, Robertson-yes, Larson-yes, Schlake-yes, Johnson-yes, Larson-yes, Hughes-yes. Motion passed.**

Schaneman noted there was only one Compliance Review and it did not review wheat.

Members reported on the U.S. Wheat Summer Meeting in San Diego. Johnson reported the HWW committee was disappointing that not more is happening – there are good ideas but no follow through – specifically on target areas, i.e., Mexican millers. Schlake noted the wheat quality committee needs to support ARS personnel. He thought the sit down with Alan Tracy and Jim Frahm was a good meeting. Hughes agreed that it was a good meeting and that withholding part of the financial commitment got attention. Hughes reported Janice met with NWB members also and he felt NWB made our point in a good way without repercussions. Hughes reported a number of PGI issues were addressed at this meeting and commended Schlake for running meetings even some impromptu meetings on how to move PGI forward and felt Schlake was very diplomatic. Dan reported that long range planning committee decided three annual meetings are a minimum and the benefits outweigh fewer yearly meetings. The committee addressed contradictions in bylaws and will contract with a Professor from Cornell for an impact study of U.S. Wheat on overseas markets. Schlake congratulated board members and staff on committee assignments—Cullan will chair HWW, Hughes will chair Long Range Planning and serve on the audit committee, Schlake will serve on Wheat Quality, Olson will serve on Communications and Schaneman on Sanitary Phyto-Sanitary. Larson sees an issue as the price of wheat becomes more critical, NWB needs to get the message to producers that U.S. Wheat is working to develop and maintain world markets. Olson reported that the Communications meeting was productive and dealt with social networking and combining efforts with other states. Schaneman reported that Sanitary Phyto Sanitary had a good meeting.

Schlake reported that PGI is still growing and that at the meeting prior to San Diego, MT was new to the board. Jim Frahm has questioned the PGI bill which is much more transparent than in years past, Kansas and South Dakota are not really part of survey and SD decided not to participate but PGI is still including them in the survey and thus making the statement that PGI still willing to work with states. Colorado wants all monies returned for the purchase of the mills. Schaneman has sent copies of all proposed contracts sent to Aaron Harries and Ron Suppes has requested copies of the contracts NWB used with the Wheat Marketing Center sent to Kansas which are the same language as the three previously sent. Schlake sees the mills as the sticking point. Justin Gilpin was hired at Kansas and he is hopeful to be able to iron out differences. The survey is going well and believes PGI is welcomed at ARS. The website is off to a late start due to Kansas wheat issues. There will be an organizational meeting in September to establish committees, and the next full meeting will be held in October at the US Wheat/NAWG meeting. Schaneman believes PGI is making strides and thinks MT may have to encourage SD to get involved. Insight from Mosier of TX has helped Schaneman with HRW states history. Schlake stated that PGI is more than just a survey.

Robertson reported on the Wheat Foods Council. Due to plane problems he attended the June meeting via teleconference for two days. Marcia Scheideman resigned and Lynn Holly is serving as interim president. There is a strategic planning session Oct 7 in Kansas City and the states will meet to determine the direction to go. The concern is to find a nutritionist/manager and now may be the time to talk with the Grains Food Foundation. There have been budget deficits up from \$65,000 – \$82,000 with lots of cost overruns through a hugely successful event. The office has moved. The digital urban wheat field is this year's project and the board has approved an urban wheat field in DC in the fall of 2010. The budget passed with a surplus due to the digital project, Scheideman's resignation and a modest increase in dues enacted 4.3% for states or 7.2% for industry. Schaneman has a concern over the planning process and has received many compliments on Brent from other states.

The Nebraska Wheat Growers report was given by Osler. He thanked the board for approving NWGA funding. The trailer is set up at fair and the growers believe the mobile baking lab will be a good tool to increase memberships. Daren Coppock of NAWG took part in the NWGA meeting via telephone. There is a NAWG conference call that will be covered by NWGA board members on Friday morning.

Dan Duncan will be unable to attend the meeting until Friday and so his report will be postponed.

On the first reading of funding proposals for biotech wheat Flohr questioned whether there was an opportunity for NWB representation and would like to see NWB on the committee. Schaneman believes both NWB and NWGA could have representation. Hughes asked Schaneman to call Mark for clarification and more information. **Flohr moved to take the proposal to second reading, Larson seconded. Roll call vote: Larson-yes, Schlake-yes, Johnson-yes, Cullan-yes, Hughes-yes, Robertson-yes, Flohr-yes. Motion passed.**

The High Plains Ag Lab is requesting funding for a 40<sup>th</sup> Anniversary Celebratory Lunch and in the presentation will ask NWGA for the mobile baking lab. Flohr stated he attends the yearly event. Dave Shelton may attend and may broaden the scope of the annual event. Flohr noted the event attracts large number of growers and would be a good outreach to producers. Larson has promoted NWB and NWGA at event. **Cullan moved to waive the rules for a second reading and moved to fund up to \$1,050.00, Schlake seconded. Roll call vote: Hughes-yes, Flohr-yes, Larson-yes, Schlake-yes, Johnson-yes, Cullan-yes, Robertson-yes. Motion passed.**

Sharon Davis gave a presentation to on the Home Baking Association.

The board then toured the Keim Hall renovation and met with John Owens.

The meeting recessed at 5:30 p.m. and the board met for dinner at Wilderness Ridge.

The meeting reconvened at 8:00 a.m. on August 28, 2009.

Kelly, Larry, and Glen from Snitily Carr conducted part two of the Strategic Planning session .

Dan Duncan reported on the WHEAT proposal. He will get specific information to NWB by Thanksgiving on proposal for 2010 so board members can prepare for meetings with Congressional leaders. The ARD

account has an update pending on the balance minus the project. Money comes in December through January from R&D fees through crop improvement collections. The office of technology development has a plan before the Board of Regents to move the research office to a 501(3c) corporation outside the university. He noted the plan has advantages and disadvantages. Schlake asked if there is a brochure for R&D fees promoting specific projects. Duncan noted the advantages and disadvantages of such a brochure would need to be weighed. Schaneman asked if it would be too difficult to put fees on old varieties. Duncan felt it would not be worth the political fallout.

Joe Parsons reported the census of ag data by state legislative district will be on web soon. The economic research service is updating the cost of production the time for wheat is due this year and 145 conventional and 45 organic producers have been selected for sampling-data for cost of production by region of country. The data will begin to be collected September 1. The August 12 yield was 48 bu/ac and will be final at end of September. Hughes asked how production is figured due to hail. Parsons says the figures are based on planted vs harvested yield so total hail out is not counted. He emphasized the production practices report upcoming is a very important report. Schaneman asked Parsons to add South Dakota and Montana to the regional wheat map. Joe noted a good companion to the congressional district wheat production would be census data. Parsons noted the survey mailing to producers is available through NASS.

Karoline Kastanek reported to the board on the US Wheat internship. She strongly encouraged the board to continue the program. Schaneman noted the many positive comments received regarding Karoline's work at US Wheat. The board thanked Kastanek for her work and representation.

Schaneman presented the office report. The fee collection summary report is available for review. LR 218 is a request from the Ag Committee for a report on export grain marketing efforts from each commodity board due on Monday. Schaneman will submit a letter plus marketing materials. A 16-member Chinese Trade Team will be hosted by NWB September 16-20. The team includes one US Wheat representative and is comprised of mostly millers and grain handlers. There is a possibility of Libyan trade team October 1-3. Olson hosted the Columbian trade team in O'Neill on July 17. Schaneman has been asked to present the HRW report in November in Egypt, Dubai, Turkey and other Middle Eastern nations. NWB will need to approve Schaneman making the presentation with the costs picked up by US Wheat. The Hard Winter Wheat Coordinated Project (SCAB Initiative) Review Team – requested Royce serve on the committee. Alan Tracy will attend the next meeting at Ag Classic December 1. Thank you cards are in the book. Additionally thank you cards were received from Kiah and Doug Schmale. Schaneman outlined the state meal expense policy which now requires a detailed receipt for any meal over \$5.00. He presented the completed transportation chart. Schaneman asked for names for the Portland seminar. Larson asked staff to send a copy of the Portland brochure to Keith Rexroth and suggested Leslie Smith from KNEB as the media representative.

In order to update the website with photos of board members and updated bios, photographs of all board members will be taken at the December 1 meeting. Members are requested to wear a non-patterned white dress shirt, tie and dark jacket. Larson will not be in attendance at the December 1 meeting but will arrange for his photo at another time.

Schaneman asked for the consideration of board members electronic signatures to be used only on time-sensitive letters and only with the permission of the individual board member.

Drew Lyons has asked for input for a new website on crops production – specifically wheat production.

NAWG has requested sprout and falling number study information.

Schaneman asked the board to consider a utilization study. Senator Carlson's office contacted Schaneman regarding milling and utilization and has requested study authorization. Schlake stated elevators would know where unit trains are headed so they would know whether the sale was domestic or export. Johannsen noted the University did similar study several years ago.

Olson reported on the proposal to develop an Indemnity fund for elevators. Although the subject seemed closed this spring, meetings have continued throughout the summer. There will be a meeting next week of commodity groups and there will be hearings this fall. The commodity groups are still opposed to the measure and Olson is unable to identify supporters of such a fund within the agriculture community.

Wyoming contacted Schaneman for section 16 special use for pesticides on grasshoppers which are major problem in Nebraska. This will need to come from growers to Department of Ag. It is the opinion of board members that this will not be achievable.

Johannsen suggested that to develop a relationship with the legislature a possible educational joint effort with sorghum or a hosted dinner for legislators and video opportunities could be explored.

Schaneman reported research summaries from University have been received. The report on Vietnamese baking school sponsored by US Wheat has been received.

Schaneman brought a budget issue that arose since the June meeting. IGP did not follow the procedures outlined for fulfilling their contract and then received bill on July 13 which was 45 days late with no supporting documentation. The bill was to be submitted by June 1 and should have been billed in two payments. There was no documentation for reimbursement of actual expenses. Schaneman received a suggestion from Mark Fowler to develop a contract paying last year's bill this year. Schaneman consulted with Bob Storant who determined there were sufficient deficiencies to disqualify payment subject to board as the contract was not fulfilled. **Cullan moved to pay the contract, Johnson seconded. Roll call vote: Robertson-no, Hughes-no, Flohr-no, Larson-no, Schlake-no, Johnson-no, Cullan-yes. Motion failed.**

Schaneman advised the board that there may be making some headway with KS wheat regarding the PGI mills. He has sent contracts requested to Aaron Harries and Ron Suppes and they are looking for a way for the states to pay for and utilize the mills. The expense may show up later in the year.

Election of officers was held. **Larson nominated Hughes as Chair and moved the nominations close and Hughes be elected by acclamation, Schlake seconded. Voice vote Hughes elected Chair. Johnson**

**nominated Flohr for Vice-chair and moved the nominations close and Flohr be elected by acclamation, Robertson seconded. Voice vote Flohr elected Vice-chair.**

A PGI meeting will be held in Denver on September 15-16. Schlake will attend. The Board offered Olson congratulations on being selected into the LEAD program. Schaneman reported that Jeff Noel has mentioned upcoming meetings and will forward information to the Board when it is received. **Schlake moved to approve travel, Cullan seconded. Roll call vote: Larson-yes, Robertson-yes, Cullan-yes, Johnson-yes, Flohr-yes, Hughes-yes. Motion passed.**

**Robertson moved to adjourn, Larson seconded.** Meeting adjourned at 12:03 p.m.

Respectfully submitted by Zoe Olson