

Meeting Minutes
Nebraska Wheat Board
October 3, 2008
Via Teleconference

Board Members Present

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

Ex-Officio Member Present

Dan Duncan, UNL

Guests

Mike Sullivan – Past President NWGA
Bob Storant, NE Department of Agriculture

Staff Present

Royce Schaneman, Executive Director
Zoe Olson, Public Information Officer
Cody Dvorak, Intern

The State of Nebraska open meetings law was made available.

Chairperson Hughes called the meeting to order at 9:00 a.m. Roll call was taken with board members reporting on planting progress.

Cody Dvorak was introduced as the new intern for the Nebraska Wheat Board.

Guests were welcomed.

Sullivan requested the NWGA report be moved up in the agenda to accommodate a schedule problem.
Cullan to approve the agenda as amended. Larson seconded. Voice vote motion passed.

Cullan noted that the spelling of Hou's name had already been corrected. **Flohr moved to approve the minutes as corrected. Schlake seconded. Voice vote motion passed.**

The financial report was presented by Schaneman. Storant explained the adjustment to Fund Balance will be on-going from General Ledger entry to cash payout and simply represents the cash vs. accrual amounts.
Cullan moved to accept the financial report. Flohr seconded. Roll call vote: Schlake-yes, Hughes-yes, Robertson-yes, Johnson-yes, Flohr-yes, Larson-yes, Cullan-yes. Motion passed.

The Nebraska Wheat Growers report was given by Sullivan who thanked the board for moving up the report in the agenda. Sullivan is presenting for Scott Osler who had a funeral to attend. NWGA held their meeting by teleconference on October 2. Their next meeting will be at the Nebraska Ag Classic scheduled at the Holiday Inn in Kearney, NE December 15-17. In order to reach out to members, NWGA will be attending the McCook Farm and Trade show November 19-20 and is looking into attending the North Platte Farm show. NWGA will continue its relationship with *The Business Farmer* for fiscal year 08-09. NWGA is attempting to get more activity from producers in each district and is requesting that the board members forward potential directors names to Olson. Osler, Sullivan and Olson will attend the US Wheat/NAWG joint meeting in Dallas, TX October 31-November 3. The membership mailing is scheduled for October. NWGA will be contacting FSA in order to contact all wheat producers in the state with an informational mailing about what is happening with Nebraska Wheat. Erik Younggren has been nominated by Minnesota as candidate for Secretary-Treasurer of NAWG and NWGA supports the nomination. NAWG is working on carbon credits and is requesting an estimate of all famers having over \$1,000,000 in assets—Sullivan estimated it would be about 50% of wheat growers. North Dakota is short 18% on its commitment to NAWG due to the durum growers group not participating but NAWG is attempting to get the durum growers to join NAWG; also Kansas is about 50% short on its commitment to NAWG—because of these financial factors, NAWG is not replacing its research person.

Schaneman noted that in the budget, program administration has no dollar amount attached and requested a number from the Board. Storant noted that the budget is a working document and asked for comments with regard to a possible change of format. Storant noted there are four categories with no dollar amount attached—education, literature, software programs and furniture office equipment which are minor items with regard to the total budget. He presented the option of moving some amounts from unobligated funds. Schaneman noted that there will be some issues that will need to be addressed—new staffing, aging computers and software and his recommendation was to move \$3,000 from unobligated for this purpose; \$500 for repairs and maintenance; \$1000 for IT consulting; and \$1,000 for education. Flohr asked if it is possible to increase these amounts if needed during the year and Storant affirmed that it is possible to move amounts from unobligated funds or from other items in the budget. **Hughes moved to amend the budget as requested. Larson seconded. Roll call vote: Hughes-yes, Robertson-yes, Johnson-yes, Flohr-yes, Larson-yes, Cullan-yes, Schlake-yes. Motion passed.**

Schaneman reported the 2008 Portland Tour was billed late and will be coming from this fiscal year's budget line. He requested that funds be moved as he expects to be billed for the 2009 tour during the current fiscal year. **Flohr moved to transfer funds as for the Portland Tour as requested. Cullan seconded. Roll call vote: Robertson-yes, Johnson-yes, Flohr-yes, Larson-yes, Cullan-yes, Schlake-yes, Hughes-yes. Motion passed.**

Schaneman reported that we had an excellent response to our State Fair marketing. He estimated that we handed out 12,000 samples of bread and cinnamon rolls, thousands of recipes and the remainder of our magnet inventory that directed consumers and producers to our website. Olson noted that we have received numerous requests for additional information and recipes through the website. Schlake and wife Sarah, Johnson and wife Becky assisted on Saturday and Dvorak was part of the Nebraska Agriculture Youth Council who also helped with the two day event. Johnson noted that several people were directed to the baking by the wonderful scent that filled Ag Hall. Schaneman noted we are looking to what we will do at next year's fair—we are looking to expand the event to add something on the second weekend and believes the outreach serves us well.

Schaneman reported that Jeff Noel from UNL shared our booth space at Husker Harvest Days and that the seed guide and Noel's expertise available at our booth was very well received. Approximately 3,500 bread clips, several hundred pasta portion-its and pizza cutters and the remainder of our recipes from previous years were distributed. Olson noted we have exhausted our inventory of recipe handouts and are ready to move forward with new materials in keeping with our branding campaign.

Hughes asked if the logistics were acceptable at the State Fair. Schlake asked if we are confirmed with Mark Hodges for the mobile baking lab. Schaneman affirmed both.

Cullan thanked the board for the opportunity for participating in the US Wheat Associates upcoming Asian trip. Larson noted that he participated in a similar trip in 2004 and that these are tremendous opportunities for board members to promote Nebraska Wheat and that this trip looks phenomenal.

Duncan noted there were not many new items to report on and requested information on the funding proposal for the plot combine repair. Schaneman pointed to items in Larson's email as to whether this was something the Board should move forward with. Hughes questioned whether trade-in was possible or appropriate since plot combines have a purchase price of between \$150,000-250,000 and after three years depreciate to about \$20,000. Duncan noted that Gary Hergert believes that repair is a better option financially that the combine is utilized about 90% for wheat plots and is therefore worth the money necessary for repair. Flohr asked if the combine serves us well and Duncan responded it does. **Flohr moved to fund repairs at \$15,000. Johnson seconded. Roll call vote: Johnson-yes, Flohr-yes, Larson-yes, Cullan-yes, Schlake-yes, Hughes-yes, Robertson-yes. Motion passed.** Cullan noted that a more aggressive maintenance policy needs to be in place to prevent this type of scenario in the future. Duncan will pursue this with Hergert.

Duncan thanked Schaneman and the Board for allowing Husker Genetics to share booth space at Husker Harvest Days and personally liked to hear about the moisture received in the state. Schaneman requested the name of the new alternative crops breeder beginning in November. Duncan will forward the information via email.

Dvorak was welcomed by the board and shared his agriculture experience. The Accounting Clerk II position has been offered to Nicole Hagood who will start October 14.

Schaneman reported that the list of names and schedule for the Portland Tour has been received and there is a lot of interest in the tour scheduled for January 5-9, 2009. Duncan stated he will definitely be attending as will Olson and Johnson. Hughes would like to see more elevator representatives and Johnson will forward names from Ag Valley.

Schaneman noted that Flohr's photo will be the most-used image for US Wheat Associates' new campaign. Olson said the poster was printed in house for Husker Harvest Days and is on the website; additionally, a press release was sent to Nebraska media. Schaneman asked for board approval for the photo gallery on the website. Cullan asked what the fee paid for and Hughes asked if it was a one-time fee. Olson reported that it is a one-time development fee and that she will be able to update the photos. Schaneman noted that the office is short one computer for staff and that the only desktop is old and extremely slow. In addition, there is a need for software updates. Schaneman suggested a furniture and office equipment line item in the amount of \$2,500. **Cullan moved to increase the budgeted amounts as requested. Schlake seconded. Roll call vote: Flohr-yes, Larson-yes, Cullan-yes, Schlake-yes, Hughes-yes, Robertson-yes, Johnson-yes. Motion passed.**

Johnson submitted the report for the recent meeting in Kansas of IGP. Schaneman reported on progress of the contract for PGI with regard to the mills and quality testing. Schaneman will vote as the proxy for Dr. Baenzinger at the PGI meeting in Dallas in November. Discussion followed regarding the issue of mills ownership. The board is not committed to paying for a share of the mills expense until all other entities have paid; at this time Texas has not paid. Issues are still outstanding with the states as to ownership of the mill and/or mills; quality testing; and renovations to the Kansas State building where the mills are housed. Cullan suggested the board wait until after the Dallas meeting to take further action. The PGI meeting follows the joint US Wheat/NAWG meeting in Dallas. Schlake, Schaneman and Olson will attend. There are two proposals for CEO—Mark Hodges or Kansas Wheat. Consensus of the board is that Hodges' proposal is best as Hodges is experienced, accountable and well-connected in the wheat industry. Schaneman would like to see PGI develop a similar program in the gulf as exists at the Wheat Marketing Center and has discussed this idea with Hodges. Larson sees Mark as a key to the vision of a gulf export point for relationships with Latin America and Mexico. Schlake explained to the board there may be a need to fund PGI at a higher rate as there is a possibility funds will cease to exist from another state after the vote in Dallas.

Cullan reminded the board of the request for board goals from the last meeting. Robertson would like to explore a scholarship for biotech and suggested an advisory board with Tom Clemente be established. Flohr stated the need for a state promotion of how the Wheat Board checkoff value is returned to the producer and suggested this should be an on-going promotion of the Nebraska Wheat Board and the Nebraska Wheat Growers Association. Hughes asked that goals be an agenda item for the next meeting. Cullan suggested a reminder to the board before the next meeting.

Cullan will be attending the US Wheat trip to Asia in November—the trip is paid for by US Wheat. Schaneman will add Cullan's trip to the calendar. A discussion followed regarding the upcoming Urban Wheat Field in New York City. Board members expressed their appreciation to the staff for the public relations events in Nebraska promoting the event. **Cullan moved to approve the travel as reported. Robertson seconded. Roll call vote: Larson-yes, Cullan-yes, Schlake-yes, Hughes-yes, Robertson-yes, Johnson-yes, Flohr-yes. Motion passed.**

Schaneman attended a meeting of Nebraska commodities in Kearney on October 1. Two issues for board interest are a proposed water checkoff and a proposal to create a fund for the indemnity of elevators—both issues will be forwarded to the NWGA for monitoring.

Meeting adjourned at 10:55 a.m.

Submitted by Zoe Olson