

Meeting Minutes
Nebraska Wheat Board
July 23, 2010
Nebraska Wheat Board Office, Lincoln NE

Board Members Present

Dan Hughes, Venango - Chairperson *via telephone*
Larry Flohr, Chappell – Vice Chairperson *via telephone*
Chris Cullan, Hemingford *via telephone*
Brent Robertson, Elsie *via telephone*
Von Johnson, Cambridge *via telephone*
Rick Larson, Potter *via telephone*
Delferd Schlake, Blue Springs
Director
Public Information Officer

Guests

Bob Storant, NE Dept of Ag

Ex-Officio Member Present

Dan Duncan, UNL *via telephone*

Staff Present

Royce Schaneman, Executive
Zoe Olson,

The State of Nebraska open meetings law was made available.

Chairperson Hughes called the meeting to order at 9:01 a.m. on July 23, 2010. Roll Call was taken with board members reporting on crop conditions. Members reported that harvest was complete in the southeast part of the state to approximately 5% complete in the northwest panhandle. Some parts of the state reported disappointing yields due to excessive moisture and hail. Overall test weights were good to excellent with protein levels ranging from 9-13.

Guests were welcomed, introduced and asked to sign in.

Flohr moved to approve the agenda. Larson seconded. Voice vote motion passed.

The minutes from the previous meeting were reviewed. Johnson noted that Scott Osler's name should be removed from the minutes as no one remembered him being in attendance.

Robertson moved to approve the minutes with corrections. Cullan seconded. Voice vote motion passed.

The financial report for June was. Schaneman noted fee collection was at 114% of the estimate.

Schlake moved to approve the financial reports. Flohr seconded. Roll call vote: Flohr-yes, Schlake-yes, Cullan-yes, Hughes-yes, Johnson-yes, Robertson-yes, Larson-yes. Motion passed.

Compliance reports were reviewed and no discrepancies were found.

Olson reported the US Wheat Associates Latin American and Caribbean Buyers Conference was well attended and that she had extended conversations regarding Nebraska wheat production and quality with buyers from Columbia and Mexico. Free Trade Agreements were also an important discussion topic with the Columbian representatives.

Cullan and Hughes attended the US Wheat Associates Summer meeting in Bozeman, MT. Cullan reported that 52% of HWW wheat is grown under contract production. Hughes reported that the Long Range Planning Committee placed OH in group 2 and voted to leave NE in group 2. There is an effort to have a procedural change to the nominating committee which will require

presentation to long-range planning for presentation to the entire board at the October meeting. Jim Frahm presented a document on crop quality report funding. There was an interesting presentation given by a Louis Dreyfuss grain trader.

Robertson attended the Wheat Foods Council executive board meeting in Denver. He reported it was a good meeting and foresees a good relationship with the new management situation.

Olson gave a brief update of upcoming events for grower participation.

Duncan noted there were no changes to report since the previous meeting.

Schaneman reported that both he and Olson gave presentations at NAYI. The baking lab cooked pizzas and garlic bread for one dinner and Olson noted appreciation for her family, and the interns in helping her with the event. Schaneman noted the board was recognized by NAYI as a large sponsor in both the program and at the dinner that both he and Olson attended.

Schaneman gave a recap of the Korean Trade Team visit which due to weather-related harvest delays allowed for some contract talks that would provide a premium back to producers. The millers on the team were assertive and willing to talk about contracting. Larson had asked the team if US wheat is competitive with Australian wheat. Olson noted the Koreans appreciated the quality of US wheat. Cullan noted they didn't seem happy with the quality of Australian wheat. Larson noted it was a good team.

Thank you letters were reviewed.

Schaneman presented information received on July 16 on the involuntary state furlough plan the Governor is requiring of all union employees. The Corn Board is questioning the need for their employees to comply as no general funds are received by their agency as is the case with the Wheat Board. Storant noted this is an involuntary furlough and so he believes the board has no choice. Ag must also furlough federally-funded employees; the board must have a plan, draft a letter to the employee and forward a question and answer form to the employee, employee relations, and Carlos Castillo. The Governor will personally sign off on all plans. There is a constitutional agency question. Hughes stated the Wheat Board will proceed as the Governor has requested. Olson is the only NWB employee affected by the two-day furlough.

First reading made for three proposals. The Nebraska Grain & Feed associate membership proposal presented a problem as NG&F lobbies on the state level. Schaneman advised that if the proposal is funded it should be for support of the NG&F annual meeting. Nebraska Farm Bureau is requesting an annual convention sponsorship. The Rural Radio Foundation has requested foundation support. Hughes suggested funding NG&F at the \$500 level; felt this was not a fiscally good time to consider a new request from Nebraska Farm Bureau; and would encourage funding the Rural Radio Foundation at the \$200 level. Larson agreed. Schlake questioned if the board wanted to discuss the proposals and set the amounts at the next meeting. Schaneman explained that Ptacek had emailed him asking about financial support as their annual meeting is soon. He noted the board could waive the second reading and proceed. Johnson stated they could also discuss the Rural Radio Foundation at the next meeting. **Larson moved to waive the second reading and fund Nebraska Grain & Feed at \$500 and Rural Radio Foundation at \$200.**

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

The Biennium Budget Form was presented by Schaneman and he noted there were areas of concern to the board: Revenue, FTE Authorized and Salary Ceiling Authorized. Schaneman's anticipated salary in the future will affect this number so it will need to be adjusted upward to accommodate his salary increases in the coming two years that will compensate him for the salary freeze this year.

Storant noted the board must have detailed justification for any cash balance higher than 25% in reserve and he advised the board to be sure they are comfortable with unknown factors of crops, plantings, marketing and weather. Storant answered questions from the board regarding the biennium budget process. Storant noted there is a difference between approved and appropriated and advised the board that they will need to raise the salary ceiling authorized to provide for Schaneman's salary increase in FY 11-12 and FY 12-13 as per their previous discussions. Schlake asked if there is a need to send justification for items that are increased and Storant answered there is. **Schlake moved to increase the checkoff revenue of FY 11-12 by \$200,000 and FY 12-13 by \$250,000 and to increase the salary ceiling authorized to \$137,250 for FY 11-12 and \$142,250 for FY 12-13 and to approve the biennium budget request. Johnson seconded. Roll call vote: Larson-yes, Robertson-yes, Hughes-yes, Cullan-yes, Flohr-abstained, Johnson-yes, Delferd-yes. Motion passed.**

Schaneman will submit the draft narrative. He will also submit an efficiency report with narrative and it will be available at the next meeting.

Hughes nominated Flohr for the office of Chair. Larson seconded. Schlake moved the nominations cease and the board elect Flohr to the office of Chair. Johnson seconded. Roll Call vote: Hughes-yes, Larson-yes, Johnson-yes, Schlake-yes, Cullan-yes, Robertson-yes, Flohr-yes. Flohr elected to the office of Chair for FY 10-11. Cullan nominated Johnson for office of Vice-Chair. Larson seconded. Schlake moved the nominations cease and the board elect Johnson to the office Vice-Chair. Cullan seconded. Roll Call vote: Larson-yes, Schlake-yes, Cullan-yes, Robertson-yes, Hughes-yes, Flohr-yes, Johnson-yes. Johnson elected to the office of Vice-Chair for FY 10-11. Flohr thanked Hughes for his two years of service as Chair of NWB.

The calendars were reviewed with the additions that Hughes will attend a NE trade mission to Taiwan and Hong Kong August 5-14; Robertson attended a Wheat Foods Council meeting in Denver July 19 and foresees an additional trip after the Urban Wheat Field to close the office and end staff positions. **Cullan moved to accept the calendars as amended. Robertson seconded. Roll Call vote: Schlake-yes, Larson-yes, Cullan-yes, Robertson-yes, Flohr-yes, Johnson-yes, Hughes-yes. Motion passed.**

Schaneman announced that Flohr will make committee assignments at the next meeting August 26-27 in Grand Island.

Johnson moved to adjourn. Larson seconded. Voice vote. Motion passed.

Meeting adjourned at 10:19 a.m.

Respectfully submitted,
Zoe Olson