

**Meeting Minutes
Nebraska Wheat Board
March 16, 17, 2011
Holiday Inn-Downtown, Lincoln, NE**

Board Members Present

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

Ex-Officio Member Present

Dan Duncan, UNL

Staff Present

Royce Schaneman, Executive Director
Zoe Olson, Public Information Officer
Caroline Brauer, Staff Assistant

Guests

Shawn Sullivan
Dayton Christensen
Mark Daum
Michael Thomas
Carl Engstrom
Jeff Noel
Lindsey Salestrom
Bob Storant
Stuart Sheppard
Stephen Wegulo
Willow Holoubeck
Lan Xu
Dick Perrin
E. Wesley Peterson
Harkamal Walia
Josie Hughes
Becky Johnson
Jan Flohr
Dr. Ronnie Green
Dave Shelton

The State of Nebraska open meetings law was made available.

Chairperson Flohr called the meeting to order at 12:28 p.m. on March 16, 2011. Roll Call was taken with board members reporting on crop conditions. Members reported the crop is beginning to green and all are hoping for much needed moisture.

Schaneman stated the 4-H Foundation would give a presentation at 1:00 p.m. and noted research presentations may need to be adjusted. **Hughes moved to approve the agenda as amended. Robertson seconded. Voice vote motion passed.**

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

The financial reports for December, January and February were reviewed. Duncan questioned whether the amount remaining on wheat architecture had not been billed. Schaneman stated the money had been allocated but not spent. The revenue collection report was discussed. Hughes questioned if the over-collection for wheat would be paid back. Brent noted the collector may pay the difference. Schaneman would defer this question to Bob Storant who will attend the meeting at a later time. **Schlake moved to approve the financial reports. Cullan seconded. Roll call vote: Hughes-yes, Cullan-yes, Flohr-yes, Johnson-yes, Schlake-yes, Robertson-yes. Motion passed.**

Cullan will attend the upcoming meeting of the Wheat Market Center (WMC). Schaneman updated the board on the WMC tour. Flohr reported that Milton Rogers secured a \$26,000 donation for the center from Farm Bureau and that Dave Shelton will make a presentation to Rogers in Chappell at a later date. Lindsey Salestrom expressed appreciation for the wheat learning experience and seeing how grain is shipped.

Schaneman attended the Wheat Quality Council meeting where potential varieties were evaluated and he tried to establish contacts with millers. Dr. Baenziger gave an oral Nebraska report and Schaneman submitted a written report. Nebraska varieties were not well received though they scored high in overseas trials. Flohr suggested it may be function of sampling. Robertson noted buyers pull their own samples at harvest from each grainshed.

Schlake and Schaneman attended the PGI meeting in Amarillo, Texas. Participants could attend via conference call using computers and Dr. Baenziger used the conference call option. PGI is working on restructuring the bylaws and there is talk of offering an educational program. PGI has one coming up and would like a \$450 commitment from each state offset by registration. The event will take place March 29 and 30 in Manhattan, KS. PGI would like a cleaner for samples and the proposal is for all states to pay for the cleaner and the states would own it until it is depreciated out. PGI has set-up a nominating committee and Schlake announced this will be the last year he serves as chair. Johnson and Schaneman will attend the PGI/IGP event in Manhattan.

Robertson attended the Grains Foods Foundation (GFF) marketing committee meeting and Wheat Foods Council (WFC) meeting in Denver. Nebraska is the only state that is a member of GFF and Robertson noted the millers and bakers need education on growing and harvesting wheat and he was contacted to see if NWB would be interested in conducting an agriculture education program on these topics. WFC had a good meeting. With the program over for the year and following the Burson presentation, WFC elected to go through a request for funding proposals to select an agency for the new fiscal year and the process is on-going.

Flohr congratulated all members for serving in leadership positions on national boards and congratulated Hughes on his on US Wheat Associates election.

Hughes thanked the board and staff for helping achieve his goal of election to the US Wheat Associates Board. He will assume the position of in July. Hughes reported the January meeting was good and the Long-Range Planning committee is reviewing strategic plan and will be calling for comments from states. There were many good speakers and he appreciated the NWB participation. Schlake noted that he is still receiving the budget information and questioned whether the information should go to Hughes or Flohr or whomever is on the Board of Directors. Hughes also clarified that he will need to hold one of Nebraska's Board of Directors seats in order to be an officer. Schaneman was directed to contact US Wheat to get the financial information sent to the correct representative. Flohr announced the Governor as reappointed Hughes to NWB. Schaneman thanked all who attended the lobbying sessions, USDA meetings and meeting with Secretary Vilsack's office. Robertson would like to see work with the EPA office. Flohr thought the Hill visits were very productive and well-received. Duncan reported that Representative Fortenberry lead discussions with UNL on budget cuts.

Flohr, Larson, Cullan, Sullivan and Schaneman attended the White Wheat Meeting with ConAgra. ConAgra is not ready for signing on to or promoting a Nebraska variety for an IP program. ConAgra will work with Dr. Baenziger regarding what attributes they are looking for but did not offer clear cut

direction. Colorado Wheat expressed the need for HWW acre increase to deal with the demand in the export market; however, ConAgra disagrees. Cullan believes location is an issue which Flohr believes could be handled if export demand increases. Schlake asked if any additional meetings are scheduled. Flohr met with Dr. Baenziger and there is a funding request for determining the competitiveness of Nebraska wheat production. Robertson questioned if specs were given. Sullivan felt it was made clear that Colorado was filling ConAgra's need so there is no interest in increasing acres. Hughes sees the mill in Colorado and that state's increase in wheat production and Nebraska's declining wheat acres as factors. Flohr noted the Colorado variety wouldn't be as successful in Nebraska.

Schaneman reported the board had identified an elevator outreach program as an important project. He suggested each board member visit two elevators in their area, take donuts and the US Wheat seed card during a visit with elevator managers. Flohr would like production maps included. This will help build relationships for NWB as Schaneman does not have time to make the visits and should help with the UNL survey. Flohr asked for the support of the board and requested members email Schaneman with the elevators they have selected. Schaneman will then send seed cards, maps and information to the members. Robertson requested information on tours to Portland be included.

Flohr stated that since 50% of Nebraska wheat is exported and 50% is used domestically, he believes a domestic trade team would be beneficial. Schaneman called the board's attention to a proposal for domestic trade teams Olson had compiled. It is suggested that millers, bakers, Grain Foods Foundation and Wheat Foods Council representatives, as well as media be invited to participate on five-to-seven member teams. Flohr requested the cooperation and participation of board members.

Hughes thanked Becky Johnson for her promotion of Bake and Take.

Schaneman called the board's attention to the contractor reports received since the last meeting and noted they are in a notebook available for board review.

Sullivan presented the Nebraska Wheat Growers Association report. He stated membership is up and that with the implementation of a new extended membership promotion, NWGA has 2 lifetime and 12 five-year membership. Dayton Christensen attended an EPA Region 8 meeting in Denver to discuss dust regulations. Nebraska is in region 7 but the Denver location is closer than Des Moines. Schaneman attended the Des Moines EPA meeting. Memberships are peaking interest in issues. Domestically, NAWG is working on the Farm Bill and budget cuts. NWGA is looking into fundraisers, specifically a golf tournament at a time not related to the meetings. The newsletter will be going out at the end of the month. NWGA has held a discussion and will look to move the Executive Director position from hourly to salary. Sullivan presented the NWB and staff with Nebraska Wheat portfolios. Hughes asked about Commodity Classic. Flohr commended the growers on their efforts on lobbying in DC.

Duncan reported that UNL is pleased with the Governor's budget proposal. He pointed out that UNL and UNMC haven't received salary increases for two years so funds may have to come out of other revenue and there may be some program changes as a result. In the past, UNL has cut services but most are already gone and he believes the next cuts will be to facilities and programs. If commodity boards have concerns about cuts Duncan asked that they call him and visit about the reasoning behind each cut. The wheat breeding program is not going to be touched. Duncan did not have a final report on research and development fees but he should have it in the next couple weeks and will it forward to Schaneman. Noel is pulling in good funds from other states and is looking forward to more R&D fees next year. Intellectual property violations have been refined and Duncan noted there was one violation of a producer and

elevator in Nebraska. UNL will keep the procedure at as low a level as possible. Duncan has been impressed with the investigation of IP violations and stated UNL would prefer to pay to educate rather than prosecute. Duncan attended the Wheat Summit meeting with Jeff Noel, Susan Fritsch, and Schaneman. The common MTA between HRW public breeding programs was presented in draft form. The draft was changed without UNL input and therefore UNL was unable to sign on due to restrictions on germplasm. OSU, KSU and CSU signed the agreement. Other states will not sign due to violations of state law. He reported good faith issues exist.

Stuart Sheppard of the 4-H Foundation gave a presentation on the Foundation's funding proposal. Schaneman would like to see the development of a Wheat Academic Camp and allocation of funds for that purpose.

Flohr reported on the discussion at Governor's Ag conference that was attended by Flohr, Hughes, Johnson and Schaneman. Johnson noted it was interesting and a good time to visit with legislative office staff. He felt there were great speakers and the Governor's focus is on HSUS. The keynote speakers addressed the issue of media having a different agenda from the one that is assumed. Flohr highlighted HSUS issues and called for support from the wheat industry. Schaneman noted all are advocates for agriculture and stated that Brauer is working on a publication she began as an intern for producers to tell wheat's story. Flohr thanked Olson for her work on legislative issues.

Willow Holoubeck presented the AFAN funding proposal.

Bob Storant presented the Department of Agriculture funding proposal. Storant gave an explanation of the e-commerce system at www.nebrasaka.gov with respect to commodity check-off collection. Hughes asked how money due to be returned on a compliance report is handled. Storant stated the overpayment is refunded and the number of bushels is corrected. Schlake asked about the possibility of board members receiving email notice of reimbursement for expenses. Storant said he did not have a good answer why the notices are not being sent by state and doesn't see it being done in the foreseeable future.

Schaneman reported he attended an EPA Regional Meeting in Des Moines, IA and the environmental contact for NWB. Representatives from the Cattlemen, Dayle Williamson and employees of the Department of Environmental Quality were in attendance from Nebraska. The meeting lasted two hours; EPA spoke for 45 minutes and opened the meeting for questions. EPA stated the main objective is to protect the mass population from health hazards regardless of cost, etc. and the scientific data used is uncertain.

Flohr asked for a method for the board to compare last year's funding to this year's requests. Robertson noted the information was listed in the budget documents in the board book. The board compared the new requests to the previous year's requests. **Cullan moved to accept the first reading of the funding proposals. Hughes seconded. Voice vote. Motion passed.**

Jeff Noel gave a presentation on Husker Genetics.

Lan Xu presented the proposal "Developing High Quality Nebraska Wheat for Domestic and Foreign Markets".

Harkamal Walia presented the proposal "Improving Protein Content and Yields for Wheat in Water-limited Environments".

E. Wesley Peterson presented the proposal "Competitiveness of Nebraska Commodity Wheat Production".

The meeting continued at Wilderness Ridge with discussions between the board and Dr. Ronnie Green.

The meeting recessed at 9:00 p.m.

On March 17, the meeting reconvened at 10:10 a.m.

Dave Shelton gave a presentation on the Wheat Marketing Center.

Schaneman presented the office report. A notebook containing holiday cards received in the office, reports from funded organizations and thank you letters was circulated among the board members. Schaneman ordered a new computer to replace his old one. Items located in the intern's old area are being sent to surplus and while some funds may be returned from a sale, most items will be destroyed. Three intern applications have been received; Schaneman will review the applications and set up interviews next week. Photos to be sent to Taiwan with plaques stating they are from NWB and where the combines were manufactured have been printed and will be delivered via the ATO's office. Schlake asked what Flohr will be taking with him on the US Wheat trip. Flohr stated he will be taking pens, business cards, brochures, card holders and personal photographs. He will leave Sunday morning and will visit Amsterdam, Kiev, Istanbul and Cairo, returning on April 3. He will travel with Mark Jossund and Rick Callies. Flohr thanked Olson for the brochure she created for him. Schaneman would like brochures for all board members updated. Hughes would like photos on the business cards and would like Olson to prepare them prior to the next board meeting. Flohr encouraged board members to keep informed on US Wheat opportunities. Schlake asked if there were any state opportunities. Schaneman stated there is an upcoming Asian trip with the Lt. Governor leading the group and encouraged all members to get passports updated. Flohr believes the members and staff represent Nebraska wheat well.

Calendars and future travel was reviewed. The next meeting will be held in North Platte on June 7 at 9 a.m. and conclude by 1:00 p.m. on June 8. Schaneman will arrange to hold the meeting at the North Platte research station. Schaneman asked that if members want to hear from any group submitting a proposal to let him know so he can arrange for them to attend the meeting. Hughes and Flohr plan to attend the US Wheat meeting. Olson stated she and her husband have been invited by Don Scheiber to attend the US Wheat meeting and will travel on her personal time and pay for all expenses herself. Robertson reported a Grain Foods Foundation meeting had been added on June 2 and he will attend in conjunction with the Wheat Foods Council meeting. There will not be any Nebraska participation for the Wheat Quality Tour. Johnson, Schlake and Schaneman will attend the IGP/PGI seminar.

Schlake asked if the mobile baking lab is scheduled for any events. Olson stated it is scheduled for the National Festival of Breads, however, due to the State's requirement constraining her work hours and Olson's reticence to use personal vacation time to work in the lab, scheduling has been curtailed at other events.

Hughes commended all staff for the work they have done.

Hughes asked for a budget projection. Schaneman announced the amount determined at the PGI meeting was 60,000,000 bushels.

Schaneman informed the board that at the June meeting the accounting system will change in format in order to present administration costs more reflective of where dollars spent and to shift travel costs to other areas.

Schaneman reported to the board that the USDA project with Tatianni needs board approval in order to shift funds from intern payroll to purchasing supplies. **Cullan moved to allow the transfer, Schlake seconded. Voice vote. Motion passed.**

Flohr stated he looks forward to board members working together and welcomed Hughes back to the board.

The board reviewed the possibility of changing the funding proposal procedure before next year's meeting with an eye to not moving every proposal forward to second reading in order to shorten the budget meeting by looking at only viable proposals.

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

Meeting adjourned at 1:22 p.m.

Respectfully submitted,
Zoe Olson