

**Meeting Minutes
Nebraska Wheat Board
January 15, 2010
Hampton Inn, North Platte, NE**

Board Members Present

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

Guests

Shawn Sullivan, NWGA
Paul Johnston, Farm Bureau
Jeff Noel, UNL
Scott Osler, NWGA
Dayton Christensen, NWGA
Kirk Foster
Dr. Stephen Baenziger, UNL

Staff Present

Royce Schaneman, Executive Director
Zoe Olson, Public Information Officer

Ex-Officio Member Present

Dan Duncan, UNL

The State of Nebraska open meetings law was made available.

Chairperson Hughes called the meeting to order at 10:10 a.m. on January 15, 2010. Roll Call was taken with board members reporting on crop conditions. The consensus was the crop has sub moisture but that more snow covering would be beneficial and that late plantings permitted good fall growth.

Schaneman asked that a letter from the Department of Ag regarding trade activity be added to the agenda and that the crop quality tour be removed. **Cullan moved to approve the agenda as amended. Johnson seconded. Voice vote motion passed.**

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

Financial reports for November and December were reviewed. Hughes asked if ARS bills at one time. Schaneman answered they did. Flohr asked if the all the billing for the US Wheat intern was complete. Schaneman stated it was and that not all monies were used as the internship was not for as long a period as anticipated. Flohr noted that December was a difficult month for revenue collection and Hughes stated that January should be better. Schaneman called attention to the bushel changes for the last 10 years and the fact that the majority of income is collected by elevators with some from FSA and grain dealers. He pointed to a report on firm changes over the last 10 years and a 10-year summary of wheat data to support the reports. Hughes asked which ethanol plants were using wheat. Schaneman noted none since 2001-2001. Flohr noted the drop in the number of elevators. Schaneman presented the requested information on the State Fair Display expenses. **Robertson moved to approve the financial reports. Flohr seconded. Roll call vote: Larson-yes, Cullan-yes, Johnson-yes, Flohr-yes, Hughes-yes, Robertson-yes. Motion passed.**

Compliance reports were reviewed and no discrepancies were found.

Johnson reported on the Ag Classic. He noted there is a petition drive regarding HSUS and thought the sessions were well attended. Olson reported the next Ag Classic will be December 14-16, 2010 in

Kearney. Schaneman thanked the growers for providing the baking lab and reported that it was well received. Sullivan reported that the commodity groups are working together and that the growers baked pretzels and provided wheat beer for the hospitality room at Ag Classic. Osler reported that Greg Guthrie from BNSF had discussed providing a mini mill for the lab.

Schaneman will present the Middle East Crop Report at the next meeting.

Schaneman brought to the board's attention that NWB had been invited to take part in a promotional trade event in Japan March 5-10. Hughes asked what costs were projected. Schaneman had not received any information on costs at this time and had just received the contact last week. Schaneman guessed that the promotion would cost between \$3,500 and \$4,500. He asked Johnston of Farm Bureau if he had any information to add. Johnston had none. Schaneman stated he doesn't know how much get return NWB would get for monies invested. Flohr noted that Japan is one of the U.S. biggest wheat customers but that he would want wheat to receive equal time with beef and pork. Flohr noted that Japan is a high quality customer. Cullan questioned whether the budget could handle this much international marketing with other issues upcoming. Schaneman stated that it is a good opportunity but is unsure of benefits and effectiveness. Hughes suggested a return to the item before the end of the meeting and Schaneman was requested to get more information from Stan Garbacz regarding costs.

Sullivan presented the Nebraska Wheat Growers Association report. He thanked the board for a seat at the table and for their continued support. He introduced the new officers present at the meeting and noted the association is working to get more memberships and especially more toward eastern Nebraska and that there is a good response on new memberships. A proposal for financial assistance on the purchase of a pickup to pull the mobile baking lab has been sent to Performance Dodge in Lincoln as the pickup the association has been borrowing is going to surplus. Sullivan thanked the NWB for their support of the trailer and believes it is a great benefit. Sullivan, Osler and Olson will attend the NAWG meeting in DC. Sullivan, Osler, Foster and Christensen will attend the Commodity Classic and the NAWG annual meeting and he invited all board members to consider attending the classic. He reported that Darren Coppock resigned as CEO of NAWG and that Dana Peterson from KS was hired as the new CEO. The committee proposal is being well received and many memberships are indicating interest in participating on committees. The trailer is being updated with hot water for hand washing and clean up, and the growers will provide baked goods for homeless shelters in the state as part of Bake and Take in March. Olson reported on legislative issues and that there is a bill to begin discussion on further protecting commodity funds and that work will begin in the next session on ways to protect spending authority. Hughes thanked Olson producers aware of policy issues. He congratulated the NWGA board for attendance in DC and the Commodity Classic.

The UNL report was tabled pending Dan Duncan's arrival.

Schaneman presented information on a funding proposal that will be forthcoming. Farm Bureau conducted a study on the effectiveness of HSUS advertising in various states. Focus groups were then developed on counter proposals and Farm Bureau has contacted livestock commodity boards and then crop commodities. The study revealed that people in Omaha were more likely to trust producers after seeing both commercials but that Grand Island residents leaned more toward support of HSUS. Farm Bureau believes HSUS is looking to come after NE as it is picking off ballot initiative states and they want to be pro-active. Farm Bureau is asking commodity boards to sign on and make financial contributions to fight HSUS and other special interest groups. The process is difficult without a tie-in to animal agriculture. Schaneman doesn't know when official request will come. Olson reported that when

attending another hearing it was discovered that Don Wesley is HSUS' full-time lobbyist and is heavily financed. Hughes questioned whether this is an issue NWB should be involved in. Olson stated that NWB may need help with issues in future and that Nebraska Ag groups are attempting to work together on a variety of issues. Schaneman asked if a board member should be directed to this issue. Hughes stated the board would wait and asked Schaneman to monitor the situation and then bring it back to board. Flohr asked if members should keep in mind when looking at next year's budget. Hughes thanked Schaneman for his efforts.

Schaneman presented the Wheat Marketing Center proposal for visiting scholar support. Bimbo hired Jimenez as a consultant, not as head of development at Bimbo. WMC's priority is for an Arabic Flat Bread Oven. This is a second reading and Schaneman reminded the board they can fund none, all, or part of the requests. Hughes asked which the top priority item is for WMC. Schaneman noted the oven is necessary to be at the industry standard. Hughes asked if the budget includes the budget cut that restricts spending authority. Schaneman noted there is \$75,000 in unobligated funds and that there is a contract for biotech that should be received in January. Johnson asked if the restriction is a percentage of the budget or unobligated funds. Schaneman noted it is restricting the total budget but will check with the Department of Ag for clarification. Flohr asked if only Nebraska had been asked for the funding. **Cullan moved to fund the oven at \$20,000. Flohr seconded.** Subsequent discussion was held. Johnson asked if there are unobligated funds each year. Hughes stated concern over unobligated funds coupled with the budget cut and next year's crop and stated he would rather see the oven funded at \$10,000. Johnson questioned what other issues could come up with over half the fiscal year gone. Hughes questioned whether other issues would arise. **Roll call vote: Hughes – no, Flohr-yes, Johnson-yes, Cullan-yes, Larson-no, Robertson-yes. Motion passed.** The board took no action on the visiting scholar proposal.

Duncan reported that UNL is in the middle of a search for a new vice chancellor and that Dr. Baenziger is co-chair of the committee. He has been reviewing budget issues which consume administrative time. Duncan noted that last year, Jens Walter gave a presentation on a finding peptide inhibitor for gluten and has asked if it is worth submitting a funding proposal for the coming year. Larson asked the amount of the proposal. Robertson noted it depends on what else terminates. Duncan explained that Walter was concerned if this was an area of board interest or if the large price tag was inhibiting movement. The Wheat Center earmark has been forwarded and that there are two levels of submittal – the UNL master list and a list to only the USDA CARAT list. Last year the wheat center proposal was on the CARAT list and now it is on the UNL master list. A lobby firm in DC will push more for the wheat center proposal. UNL appreciates all past and future support. The donor for land is lined up.

Schaneman supplied the board with a budget letter/ information request from appropriations and a copy of Schaneman's response. He believes the board may need to look at raising the check off rate. Schaneman noted that the Strategic Plan Approval will need to be held over until the next meeting as some members have asked for some tweaking of the proposal and thus we don't have a final copy for approval. Schaneman asked that if members have changes they send them to Kelly within next two weeks.

Olson asked for a discussion on policy development in preparation for the Hill visits in DC.

Schaneman noted that Robertson is on the ballot for secretary/treasurer of the Wheat Foods Council. Hughes offered the board's congratulations.

Schaneman presented the office report. He reported that the Christmas cards and thank-you cards are a low-cost outreach. Approximately 400 cards were mailed. He reported that the intern is making progress on the utilization study and that she will be making calls and sharing information with the food processing center. This is a pilot study and Schaneman will keep the board informed of progress. The Wheat Marketing Center tour was held January 11-14 with 14 people attending. There was one last minute absence.

Schaneman reported that the HRW producing states were invited to an Oklahoma City meeting to discuss public and private relationships with wheat breeding. One company wants to do germplasm exchange with land-grant universities. Some states want to protect public breeding programs. Duncan noted that an initial meeting of wheat breeders occurred on January 5 and that principles for collaboration were developed at that meeting. UNL has no written agreements at this time. Baenziger has not met the company as other great plains state have but will meet with them the end of January. UNL has confidentiality agreements with Monsanto and Bayer Crop Science and will have one with Lima Grain. At this time the need is to determine how to bring everyone in to the information and Baenziger believes the UNL breeding program is in good stead. A discussion with the board continues. Johnson and Larson will serve as the board's representatives on this sub-committee.

Schaneman presented a list of scheduled compliance reviews, the 2010 USDA wheat seeding press release, a request for NWB to host a Korean Trade Team in July, and the Governor's wage freeze request.

Photos will be sent to Snitily Carr for the website update once all board members have been photographed.

The PGI Mills issue was reviewed with the understanding that NWB will need five years free milling or 10 years milling at half-price in order to show value for an MOU acceptable to the AG's office. Schaneman will attend the Wheat Quality Committee meeting with board members. Schaneman commended the board for representation on numerous national committees

Items added to the calendars included WMC meeting March 25, 26 with Cullan attending, and the Governor's Ag Conference with Hughes, Johnson and Schaneman attending. Schaneman noted the Growers have been asked to supply wheat beer for the opening reception. **Larson moved to approve the calendars and travel as amended. Flohr seconded. Roll call vote: Larson-yes, Robertson-yes, Johnson-yes, Cullan-yes, Flohr-yes, Hughes-yes. Motion passed.**

The discussion on the Japan promotional trip was tabled.

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

Meeting adjourned at 2:56 p.m.

Respectfully submitted,
Zoe Olson