

**Nebraska Wheat Board
Board Budget Meeting
May 28, 2020
8:00 AM – 5:00 PM MDT
Holiday Inn Express – Ogallala, NE
MINUTES**

**Board Members
In Attendance** Bob Delsing, Chair, District 1
Tyson Narjes, District 2
Von Johnson, District 5
Kent Lorens, District 4
Brent Robertson, District 7
Mark Knobel, Vice Chair, District 6
Larry Flohr, District 4

Others Present Royce Schaneman, Executive Director Nebraska Wheat Board
Sarah Morton, Nebraska Wheat Board
Brian Schafer, NWGA President
Renee Tichota, NDA Accounting (via phone)
Patty Richard, NDA Accounting (via phone)
Chabella Guzman, KNEB (via phone)
Hector Santiago, UNL (via phone)
Jeff Noel, Husker Genetics (via phone)
Claire Oglesby, State Budget (via phone)

Proceedings

- Bob Delsing called the meeting to order at 9:02 AM MDT. Roll call was taken and crop condition reports were presented. Guests were introduced and welcomed.
- Review of the agenda. **Mark moved to approve the agenda; Tyson seconded. Voice vote, motion carried.**
- Approval of minutes. **Tyson moved to approve the minutes as presented; Larry seconded. Voice vote, motion carried.**

Financial Reports

- Royce explained financial reports to the Board for the months of March, April and May. He described that in the areas of Data Processing, Communications, and Board and Lodging. The Board was over budget due to upgraded software on all staff computers and Royce having to use his cell phone more during the pandemic and working from home. Board and Lodging was over budget due to travel expenses and that administration travel and lodging has often been taken from these funds instead of Administration Lodging. Discussion arose regarding research contracts. Kent questioned if researches kept all money allocated to them if they did not complete their research. Royce explained that they only get the money once the expenses are incurred. **Kent moved to transfer \$2,500 from Unobligated Funds to Board and Lodging Funds; Brent seconded. Roll call vote: Larry, yes; Mark, yes; Von, yes; Brent, yes; Tyson, yes; Kent, yes; Bob, yes. 7 yes – 0 no, motion carried.**
- **Larry moved to accept the financial report; Tyson seconded. Roll call vote: Kent, yes; Tyson, yes; Larry, yes; Von, yes; Brent, yes; Mark, yes; Bob, yes. 7 yes – 0 no, motion carried.**

Check-off Compliance Reports

- Royce stated that there are no compliance reports. Patty Richard is in the process of hiring an auditor. As soon as coronavirus restrictions are relaxed throughout the state, the auditor will start up (July/August). In the last five months there has been no salary charge to the Wheat Board for that position.

Domestic and International Marketing

- US Wheat Associates
 - Royce mentioned that there hasn't been a USW meeting since the last Board meeting. USW is debating on hosting the summer conference in Cincinnati, OH. If it is held in person, they recommend only having three people from each state attend. Bob and Kent both state that they would be fine travelling to Ohio for the conference.
- Wheat Marketing Center
 - Von represented Nebraska Wheat on a Zoom call conference. The WMC is still working on how to handle the sale of the other half of the building, whether that's hiring a manager or doing it themselves. Staff went in once a week during the shutdown to check on things. A few weeks ago, some staff began reporting regularly to perform lab tests.
- Wheat Foods Council
 - The WFC hasn't decided whether or not to hold their summer meeting in July in Ohio. There was going to be a wheat field tour for social media influencers in Colorado this summer, but due to Covid-19 it may be cancelled.
- Plains Grains Inc.
 - ⊖ Murray retired from PGI and was the long time collector of samples for PGI. This drew concern as to how to proceed collecting the samples. NASS was contacted and it was agreed they will collect the samples from across the country. Sample testing may be slow this year due to Covid-19 and the shorthanded staff.
- Wheat Quality Council
 - WQC had their annual meeting. They hosted the virtual wheat tour a couple of weeks ago. Royce reported Nebraska's estimated yield statistics during the presentation. Mark Knobel's video from the tour was shared to attendees as well as on the website and social media.
- NAND Conference
 - Michele Tuttle presented at the conference virtually. The video was recently shared with Sarah who will forward it on to the board. She received great reviews for her presentation.

University Report

- Hector described how UNL has been functioning during Covid-19 and what that meant for research and faculty functioning. Currently, nobody is allowed on the premises of the campus. Research is unable to be conducted unless granted special permission from IANR. On June 1st, regulations should be rolled back a little though all buildings will still be on lockdown. Faculty needs approval if they want to travel to do any research or extension activity outside of campus. Nebraska Wheat Board research proposals were sent to Royce. Agreements were fully executed for the fiscal year. The State is forecasting a shortfall on resources which will impact the University. Field days are on hold for the time being.

NWGA Report

- The Wheat Growers held a meeting in McCook, NE on Friday May 22nd. A budget was established for the upcoming fiscal year and board members began looking over the bylaws to update. Brian Schafer has attended a lot of Zoom conference calls for NAWG meetings. The Growers have room on their board for two new members. Brian mentioned that the mobile baking lab and pick-up was sold to Ardent Mills for \$32,000. Kent questioned if that money should be put toward hiring a lobbyist to do state legislative work in Lincoln. Mark presented ideas to increase membership for the Growers. Brian informed the Board that the golf tournament has been cancelled for this year due to Covid-19.

NWB Administration Matters

- The USDA highlighted Nebraska food products at their “Ag Connections Café” in Washington DC. Nebraska donated tortillas, pasta and rolls.
- Governor’s Ag Conference in March went well. Bob Delsing and Jeff Ruggles represented Nebraska Wheat at the Ag Leaders Breakfast. The Governor wasn’t in attendance but there was good representation from department heads.
- USDA’s Coronavirus Food Assistance Program (CFAP) does not include HRW wheat. Royce contacted Senator Sasse’s office for some clarification. Ginger Willson replied saying the office is trying to make a push to include HRW in the program.
- The NWB staff worked at home for about six weeks during the first part of Covid-19. Staff took part in a lot of conference calls. It was decided to begin working in the office full time again, though the rest of the State Office Building remains fairly empty.
- Royce attended a Zoom conference call with Mike Boehm and Bob Wilhelm regarding the contracts and negotiations. Mike was supposed to have a response/solution prior to this meeting, but nothing has been received from him or his office.
- State administrators have had Zoom calls separately from USW, mostly about issues regarding intellectual property.
- The Kansas Wheat Commission wants to have meetings and research what it would be like to have a regional public breeding program instead of state by state.
- USDA filled a wheat geneticist position in Lincoln and asked Royce to be on another search committee for a wheat and barley geneticist solely focused on head blight.
- States are looking into alternative ways to save money due to many budget shortfalls. Many are struggling with association membership and low budgets.
- There is a federal program called STEP that helps small companies do international marketing. Nate Blum with the Sorghum Board found out that commodity boards may be able to apply. Commodities can receive up to 50% of expenses reimbursed for trade missions.
- States and USW are doing a lot of things online to continue promoting the United States wheat crop. Sarah has been working with John Haxby to determine if we can create short trade team videos (2-3 minutes each) to send to the trade teams that were supposed to visit Nebraska this year. Then the NWB would work with USW to set up Zoom calls with these countries to answer any questions they would have regarding the videos.
- The gentleman requesting wheat straw hasn’t replied since the last meeting.
- Brian Schafer inquired if the trade team videos need to be ran through the Growers association due to hiccups experienced by local NRD’s doing promotion. Royce mentioned that the video production can happen no matter who funds it.

- Districts 5 and 7 are going to be open for new board directors. There are currently three applicants for the at-large position and promising prospects for district 5.

First Reading of Funding Proposals

- The board read through the new funding proposals. One from AFAN, one from NWGA, and 16 research proposals from UNL and 1 from USDA were all presented. **Larry moved to waive the first reading of funding proposals and go to the second reading; Brent seconded. Roll call vote: Von, yes; Mark, yes; Brent, yes; Larry, yes; Tyson, yes; Kent, yes; Bob, yes. 7 yes – 0 no, motion carried.**

2020-2021 Annual Budget Discussion

- Royce explains how he calculated the income for FY 20-21's budget. The board agreed with the proposed numbers and began allocating the monies to different programming and research for the upcoming year.

Executive Session

- Bob formally announced the Board would move into Executive Session for the purpose of discussing staff salaries at 2:37 PM MDT. **Kent moved to enter into Executive Session regarding staff salaries; Tyson seconded. Roll call vote: Brent, yes; Tyson, yes; Von, yes; Mark, yes; Kent, yes; Larry, yes; Bob, yes. 7 yes – 0 no, motion carried.**
- **Tyson moved to reconvene open session; Mark seconded. Roll call vote: Kent, yes; Brent, yes; Von, yes; Larry, yes; Tyson, yes; Mark, yes; Bob, yes. 7 yes – 0 no motion carried.** Open session reconvened at 3:37 PM MDT.

Open Session

- **Mark moved to give the Executive Director a 2.3% pay increase and the Executive Director can set the salary of the rest of the staff up to 2.3% based on merit; Brent seconded. Roll call vote: Larry, yes; Tyson, yes; Brent, yes; Von, yes; Kent, yes; Mark, yes; Bob, yes. 7 yes – 0 no, motion carried.**

2020-2021 Annual Budget

- **Brent moved to approve Fiscal Year's 2020-2021 Annual Budget; Tyson seconded. Roll call vote: Mark, yes; Brent, yes; Von, yes; Larry, yes; Kent, yes; Tyson, yes; Bob, yes. 7 yes – 0 no, motion carried.**

2021-2023 Biennium Budget

- Board members discussed the biennium budget with Patty Richard. **Larry moved to approve the biennium budget; Kent seconded. Roll call vote: Tyson, yes; Brent, yes; Von, yes; Kent, yes; Mark, yes; Larry, yes; Bob, yes. 7 yes – 0 no, motion carried.**

Calendar and Travel Approval

- Most upcoming events have been cancelled or postponed. The Board set the date for the next board meeting to be August 3, 2020. The location is TBD, though board members agree it should be held in North Platte or another western location. If Sarah and John begin recording trade team videos, travel will be coordinated so they travel together. Larry would like to have Sarah travel out west for wheat harvest. **Larry moved to accept the calendar and travel; Kent**

seconded. Roll call vote: Mark, yes; Tyson, yes; Von, yes; Brent, yes; Kent, yes; Larry, yes; Bob, yes. 7 yes – 0 no, motion carried.

Bob presented Von and Brent with their gifts for serving on the wheat board and wished them good luck in all future endeavors.

Brent moved to adjourn the meeting; Von seconded. Voice vote, motion carried. The meeting was adjourned at 4:50 PM MDT.

DRAFT

DESCRIPTION	Approved FY 20/21
BOARD OF DIRECTORS	
Board & Lodging	5,000
Commercial Transportation	250
Board Meeting Expenses/Other Meeting Rooms	250
Conference Registration	250
Meals Not In Travel Status/One Day Travel	3,000
Misc. Travel Expense	300
Other Operating	250
Personal Vehicle Mileage	7,000
Misc. Board Expense	1,500
TOTAL	17,800

DESCRIPTION	Approved FY 20/21
INTERNATIONAL MARKETING	
U.S. Wheat Associates	90,000
Wheat Marketing Center - Improve Competitive Edge of NE Wheat	20,000
WMC - Wheat Export and Marketing Workshop - Portland Tour	8,000
WMC - Wheat Export and Marketing Workshop - Portland Tour Scholarships	600
International Marketing Travel	25,000
Trade Teams/Promotional	7,500
International Marketing Special Projects	5,000
TOTAL	156,100

DESCRIPTION	Approved FY 20/21
DOMESTIC MARKETING	
Wheat Foods Council	20,732
Wheat Quality Council	3,000
Domestic Marketing Travel	12,000
Plains Grain, Inc.-GP Regional Wheat Quality Survey	12,972
TOTAL	48,704

DESCRIPTION	Approved FY 20/21
RESEARCH	
Improving Winter Wheat Varieties for Nebraska - HRW & HWW	100,000
Hybrid Wheat Development	5,000
Variety Testing of Varieties Dev. Outside Nebraska (R&D 20,000 FY 11-12)	8,500
Selecting High Quality NE Wheat for Market Needs	35,000
Mitigating Winter Wheat Losses Caused by Diseases (R&D 33,314 FY 11-12)	20,000
Out of state variety testing of UNL winter triticale varieties	5,000
Yuma seed increase for UNL winter barley varieties	5,000
Yuma seed increase for UNL winter wheat varieties	10,000
Yuma seed increase for UNL winter triticale varieties	5,000
Improving Nitrogen Management in Dryland Wheat Production	15,000
Identifying Row Spacing Impacts on Dryland Winter Wheat	5,000
Develop a UNL-TAPS Program for Wheat	10,000
TOTAL	223,500

DESCRIPTION	Approved FY 20/21
POLICY DEVELOPMENT	
National Assn of Wheat Growers	47,000
NE Wheat Growers Assn - Wheat Issues Monitoring	27,500
TOTAL	74,500

DESCRIPTION	Approved FY 20/21
PUBLICITY/EDUCATION	
KRVN Talking Nebraska Wheat	900
KRVN/NCIA - "Growing Wheat Well" Radio Series	2,678
NE Ag Youth Council (NAYC) - Sponsorship of NAYI	1,000
NE FFA & NE FFA Foundation	1,500
NE 4-H & NE 4-H Foundation	1,500
LEAD Program - Nebraska Ag Leadership Council (NALC)	1,500
Home Baking Association	1,000
Bake & Take Promotion (Office)	1,000
Nebraska Foundation for Ag Awareness - Ag in the Classroom	1,000
NE Wheat Board Education/Promotion Fund	10,000
Nebraska Wheat Website	1,500

AFAN	500
Nebraska Grain and Feed Assoc.	500
Youth Ambassador Program	2,500
NCIA & Husker Genetics - Marketing NE developed wheat varieties	20,000
Nebraska Academy of Nutrition and Dietetics	1,000
Progressive Farmer/NE Farmer Advertising HHD Booth	4,200
TOTAL	52,278
TOTAL CONTRACTS	572,882

NASS projection March 2020 of 920,000 acres winter wheat planted; 15,000 acres of spring wheat planted; 841,500 acres to be harvested with a five year average yield of 48.8 bu/a for a total of 41,065,000 bushels. Projected marketing's of 94% would result in 38,601,288 bushels. The collection rate to .004 of the net value of the wheat marketed. The five year average market price for HRW wheat is \$4.02 per bushel. (current April cash bid is \$4.45/bu. at Imperial) $38,601,288 \times \$4.02 \times .004 = \$620,708$. USDA estimates 48,463,000 of wheat stocks as of March 2020 in Nebraska. Assuming 10% of this wheat will be marketed. $4,846,300 \times \$4.02 \times .004 = \$77,928$. Total expected check-off revenue of \$698,636.

DESCRIPTION	Approved
	FY 20/21
BEGINNING CASH BALANCE	168,936
REVENUE:	
Wheat Check-Off Fees	698,636
Investment Interest	5,000
R&D Fees	61,160
Misc. Revenue	5,000
TOTAL REVENUE	769,796
TOTAL AVAILABLE CASH	938,732
PROGRAM ADMINISTRATION:	
Staff Salaries	195,000
Staff Benefits	60,500
Postage	1,500
Communications	4,000
Printing	1,500
Dues & Subscriptions	1,000
Conference Registration	250
Office Rent	20,000
Data Processing	4,000
Repair & Maintenance Office Equipment	1,000
Office Supplies	1,500
Other Operating	1,000
DAS Assessments	2,500
Board & Lodging	1,500
Meals Not In Travel Status/One Day Travel	1,000
State Owned Transportation	500
Personal Vehicle Mileage	1,000
Miscellaneous Travel	250
Furniture & Office Equipment	3,000
TOTAL ADMINISTRATION	301,000

NDA ADMINISTRATIVE SERVICES	15,450
BOARD OF DIRECTORS	17,800
CONTRACTUAL (INT'L MKTG)	156,100
CONTRACTUAL (DOM MKTG)	48,704
CONTRACTUAL (RESEARCH)	223,500
POLICY DEVELOPMENT	74,500
PUBLICITY/EDUCATION	52,278
UNOBLIGATED	45,000
TOTAL EXPENDITURES	934,332
ENDING CASH BALANCE	4,400

Adjust to Balance

*** The "adjust to balance" is the amount of payables that are set up to be paid but the Treasurer has not e
This "adjust" number brings the State Treasurer into alignment with the Wheat Board books.

NEBRASKA WHEAT BOARD
Legislative Appropriation Request
FY 2019-20 & FY 2020-21

	FY 18/19 Actual	FY 19/20 Current 4/30	FY 19/20 Projected	FY 20/21 Budgeted	FY 21/22 Request	FY 22/23 Request
BEGINNING CASH BALANCE	411,045	290,809	290,809	153,935	43,889	43,889
REVENUE:						
Checkoff	839,531	759,756	759,756	698,636	950,000	1,100,000
Investment Interest	12,978	8,311	8,311	5,000	10,000	10,000
R & D Fees	60,771	84,145	84,145	50,000	87,500	87,500
Misc Revenue	3	1,470	1,470	5,000	5,000	5,000
Total Revenue	913,283	853,682	853,682	758,636	1,052,500	1,202,500
TOTAL AVAILABLE CASH	1,324,328	1,144,490	1,144,490	912,571	1,096,389	1,246,389
EXPENDITURES:	1,033,015	580,445	990,555	868,682	1,052,500	1,202,500
Adjustments	(504)	4,286				
ENDING CASH BALANCE	290,809	568,331	153,935	43,889	43,889	43,889

Legislative Appropriation	2,192,322		1,542,227	1,614,103	1,206,435 *	1,206,435
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FTE's Authorized	3.0		4	4	4	4
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FTE's Used	2.75		2.75	2.75		
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Salary Ceiling Authorized	176,128		234,210	234,352	239,039 *	243,820
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Salary Ceiling Used	165,785	156,711	188,051			
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estimated *

Base		1,614,103	1,614,103
Salary	234,352	239,039	243,820
Health	37,794	39,042	39,760
		1,620,037	1,625,536

NWB Calendar & Travel Items

March 2020

- Mar 31 – NWB Board Meeting via teleconference

April 2020

- ~~TBD~~ UNL Seed Evaluation Tour, Yuma, AZ ~~Canceled~~
- ~~Apr 1-3~~ State FFA Convention, Lincoln / Royce Sarah ~~Canceled~~
- ~~Apr 3~~ Ag Night at the Stars, Lincoln / ~~Canceled~~
- ~~Apr 7~~ Husker Food Connection, Lincoln / Sarah ~~Canceled~~
- ~~Apr 7-8~~ BNSF Ag Products Summit, Dallas, TX / Royce ~~Canceled~~
- ~~Apr 14-15~~ State Administrators' Meeting, Denver / Royce ~~Canceled~~
- ~~Apr 16~~ UNL Agronomy & Horticulture Club Banquet ~~Canceled~~
- **Apr 24 – Arbor Day State Holiday – State Offices Closed**
- **Apr 24-25 – NE Academy of Nutrition & Dietetics Conference, Lincoln-NIC / Sarah**
(Will be held via webinar)

May 2020

- ~~May 4-7~~ Wheat Quality Tour, Kansas Nebraska / Sarah ~~Canceled~~
- ~~May 7~~ Wheat Workers' Field Day, Lahoma, OK ~~Canceled~~
- ~~May 10-20~~ USW South Asia Trade Team/Indonesia (tentative) ~~Postponed~~
- May 22 – Nebraska Wheat Growers' Board Meeting – McCook / Sarah
- **May 25 – Memorial Day Federal Holiday – State Offices Closed**
- **May 28 – Nebraska Wheat Board Meeting, Ogallala Holiday Inn Express**

June 2020

- ~~June 10-17~~ Governor Ricketts' Trade Mission to the United Kingdom and Israel ~~Postponed~~
- **June 19 - High Plains Ag Lab (HPAL) 40th Anniversary Event, Sidney**
- ~~June~~ Mid/Late USW Sub-Saharan Africa Regional Trade / Crop Quality Team
- ~~June 22-26~~ Tentative USW's Ecuador & Peru Trade Team in Nebraska

July 2020

- **July 3 – Independence Day Federal Holiday Observed – State Offices Closed**
- **July 12 -15 – Wheat Foods Council Summer Meeting, Cincinnati, OH**
- **July 13 - 18 – USW Summer Board Meeting, Cincinnati, OH / Kent- Bob-Royce-Sarah**

August 2020

- TBD - Tentative Governor's Trade Mission to South Korea and Philippines

September 2020

- **Sept 7 – Labor Day Federal Holiday – State Offices Closed**

October 2020

- **Oct 12 – Columbus Day Federal Holiday – State Offices Closed**

November 2020

- **Nov 11** – Veterans Day Federal Holiday – State Offices Closed
- **Nov 26** – Thanksgiving Day Federal Holiday – State Offices Closed
- **Nov 27** – Day of Thanksgiving State Holiday – State Offices Closed

December 2020

- **Dec 25** – Christmas Day Holiday – State Offices Closed

February 2021

- **Feb 02 – 06** – USW/NAWG Joint Winter Meeting, DC