



**Oregon Wheat Commission Meeting
April 8, 2024, Minutes**

Call to Order:

Pursuant to notice made by press release to newspapers of general and local circulation throughout the state and e-mailed to persons on the mailing list of the Commission a regular meeting of the Oregon Wheat Commission (OWC) was held at the Oregon Wheat Commission Office in Portland, OR with video/phone conference availability. Commissioners in attendance for all or part of the meeting included Dana Tuckness – Chairman, Tyler Hansell – Vice Chairman, David Brewer - Secretary/Treasurer, Darren Padget, David Prybylowski, Jason Middleton, and Rob Rye. Staff members present were Amanda Hoey, CEO; Tana Simpson, Associate Administrator; and Corey Shrader, Program and Office Coordinator. Chairman Tuckness called the meeting to order at 10:02 a.m.

Introduction of Visitors

In addition to the above-listed Commissioners and staff, the following guests were in attendance for all or part of the meeting Mike Moran, Royce Schaneman, Alexis Eichler, Tom Chastain and Margaret Krause.

Additions/Changes to the Agenda

No additions to the agenda were presented.

Conflicts of Interest Review

David Brewer noted that Jacob Powell, who has research proposals being considered by the Commission has a plot in his fields.

Plains Grains, Inc

Royce Schaneman, PGI Executive Director gave an overview of PGI. As many of you already know, he is still the Executive Director of the Nebraska Wheat Board as well. Almost a year ago he started administering PGI when Mark Hodges retired. PGI works for state commissions, grain companies and flour millers to benefit all the segments of the industry with the goal of providing transparent and reliable crop quality data in a timely manner. PGI also provides weekly crop progress and harvest reports as well as detailed crop data for use at the U.S. Wheat Associates crop quality seminars.

Plains Grains was created by the Oklahoma Wheat Commission and Mark Hodges teamed up with the Oklahoma Wheat Commission, the Oklahoma Department of Agriculture and Oklahoma State University to get it started. In 2006 the gulf tributary states were added including Texas, Colorado, Kansas and Nebraska. Montana joined a little bit later and the PNW states joined around 2020.

The bulk of this role as the PGI Executive is dedicated to coordinating the annual Crop Quality

survey. There are currently 11 member states. Additionally, North Dakota is involved through their interest in the dashboard. Last year we collected 525 samples from 40 different reporting areas in the 11 states. The cost of the survey this past year was \$192,000. We have in-kind services from USDA ARS on the low side it comes in at \$260,000, each state that participates in the survey are only charged for there are cost of the survey. State contributions total \$141,000 and they receive a match from US Wheat Associates of about \$61,500.

Discussion: Commission Hansell asked about overlap between PGI, NCI and WMC. Royce responded that there is cooperation between the three but not much overlap as all three labs are conducting class specific surveys.

The dashboard concept started about 4 years ago. It allows us to take the accumulated data and present it visually allowing customers to see trends for each test by grain shed, state or marketing region. It is a powerful tool but the current structure has PGI renting it annually so they currently have bids out for a revamp that would be industry owned at a considerable cost savings. The Oregon portion of this request would be \$1,377.47. Another benefit of this proposal is it would allow all the classes to be streamlined with the same interface for customer ease of use. Royce is still in the process of clearing the current proposals through all of the cooperators including the HRW states, HRS states, SRW states, USW, FAS and ARS.

Discussion: Concern was expressed regarding the dashboard encouraging customers to seek more area specific sourcing when most of our grain is blended at export. Mike Moran commented that the concept is fairly new and is still untested but the output is based on the data input and with the current PNW production zone format that is less of a concern. He does not see a need for greater granularity of data for the customer although he does see where there could be some value to a breeding program or farm management. There has long been interest from customers in increased specificity in purchasing but that comes with increased risk and increased cost.

CEO Hoey pointed out that PGI has two requests for consideration today, the dashboard is the consideration of whether or not we want to approve the Oregon portion of the funding for the dashboard within this current fiscal year. The second request is the one that we do every year so it is built into the draft budget. There are allocations for hard red spring analysis at \$93 and hard red winter at \$1,333.47.

Commissioner Hansell moved to approve the funding of up to \$1,700.00 in the current fiscal year for the Oregon portion of the Wheat Quality Survey Dashboard development conditional upon review as developed. Commissioner Prybylowski seconded the motion. Commissioner Marguth was absent. Commissioner Padget opposed the motion but with all remaining Commissioners present and in favor, the motion passed.

Wheat Marketing Center

Mike Moran, Wheat Marketing Center Executive Director, outlined their proposals for the coming year. They are proposing no change in the funding requests for general support, the crop quality survey and the SW Brochure. He did note that they did a rebalancing of the survey distribution last year and suggested that they discuss the best appropriate timing to reexamine that distribution in advance of proposals next year.

They are submitting one additional request this year for support of an upgrade to their website. The request is being made to all eight member states with a proposal of up to \$4,000 each. They are upgrading the website in an effort to better capture and support online education. They are in the process of developing both general education training as well as more detailed baking trainings based on an updated version of the book that WMC published in 2010.

CEO Hoey pointed out that all four proposals are included in the draft budget for discussion later in the meeting.

Approve February Minutes

The minutes from the February 12 & 13, 2024, Wheat Industry Advisory Committee, Annual Research Review and Commission meeting were provided.

Commissioner Padgett moved to approve the February 12, 2024, and February 13, 2024, meeting minutes as presented. Commissioner Brewer seconded the motion. Commissioner Marguth was absent. With all remaining Commissioners present, the motion passed unanimously.

Accept February 2024 Financials

Associate Administrator Simpson presented the February 2024 Financial Statements for consideration.

Commissioner Brewer moved to accept the Financial Statements through February 29, 2024. Commissioner Padgett seconded the motion. Commissioner Marguth was absent. With all remaining Commissioners present, the motion passed unanimously.

Facilities Status

CEO Hoey updated the Commission on the proposed new location at the World Trade Center. The current lease with Bill Naito Holding Company is through March of 2025. The proposed lease is for 7 years with a 7-month abatement to give us some time to move in the winter when things are slower and aligned with our partner's lease. We would share adjacent space with a partner. Our suite would be approximately 1,000 square feet and include three offices, a conference room and a storage room. We will share the conference room and lunch area with our partners.

The Conference room in the suite will hold around 8 guests, ideally suited for trade teams and there is an additional larger conference room available to tenants on the first floor that holds 50-75 guests. Both rooms will have videoconference capabilities. The World Trade Center offers a significant increase in security providing badge only access at two full time guard stations, over 100 monitored security cameras and underground parking with direct access to the building.

The current rental offer would be \$39,780 annually compared to our current lease with a base of \$48,472 plus property taxes and operational expenses. Initial estimates for moving expenses are between \$2,000 and \$5,000, which have been included in the budget we will discuss later.

Commissioner Reports and Updates

Commissioner Middleton reported that anything could happen but right now stands look great and they are currently anticipating a return to a more normal protein profile. He has heard talk of spraying for rust but not extensively. Markets are not great. We would estimate the regional is probably 20-25% unsold with not a lot to motivate those that are holding.

Commissioner Hansell reported that the wheat is very tall and looks great. They had some good moisture the last couple weeks and some wind this week and a lot of sunshine. We are still getting a little bit of snow up in the mountains so maybe some of those irrigators will have the opportunity to finish up the crops and to help with the lower protein if it gets hot.

Commissioner Padget stated his area looks good. It has been the perfect fall and the only thing of concern for him is one field where it is questionable if the cheat grass spray was effective. Overall, he thinks Oregon is going to have 50 million bushels if we have any kind of May rain.

Commissioner Rye reported that stagnant demand with significant crop carryover and a good crop will be a challenge. Export demand is still off if you look at where we are crop year to date which is basically over in another month but if you include what's been exported and open sales, we're still running about 15% behind on soft white versus last year. I think a big driver on that is the lack of CCC business, it's been pretty much nonexistent especially for this calendar year looking ahead I am cautiously optimistic. We're starting to see some markets start to ask about new crop soft white pricing but I think at this point a little bit on both sides of the equation the demand side is willing to wait and the supply side is willing to wait at this point and we'll just have to see how it plays out here over the next couple of months because we do have a pretty big carryout and like you're saying it's pretty big crop on tap.

Commissioner Brewer reported that it seemed like some of his wheat was taking a long time to start growing. His suspicion was that the level of residue on the fields and the colder temperatures delayed growth. He has some peas that look like they might actually make it to harvest, they just finished reseeding canola, and they still need to plant some barley.

Commissioner Prybylowski reported that he spoke with a friend from Georgia who is on the Peanut Board, and they are really struggling with conference costs. He thinks travel and hotel cost inflation is going to be a concern. We will need to keep an eye on expenses for both the tri-state and with trade teams. Also, things like online learning are likely to increase in demand.

Commissioner Tuckness reported that the Treasure Valley looks really good as well. They had a lot of rain last week which was perfect timing to get everything a good soaking. The reservoirs are going to be full soon, so everything looks good right now.

Commission Hansell pointed out that this will be Commissioner Padget's last meeting in person. He passed along appreciation from Blake Rowe who reached out and wanted to express how important you've been to the industry through your handling the GE crisis and the respect that you have developed in the overseas markets with U.S. Wheat Associates. Darren passed along his regrets that he will not be able to attend his last meeting in person. Commissioner Hansell stated that Darren's leadership has been critical to so many young farmers, himself included, and the industry as a whole.

Committee Meeting Status Updates

Commissioner Brewer reported that the Cereal Pathologist Selection Committee has scheduled interviews in the next few weeks. He reviewed the applications this weekend and they have three promising candidates.

Commissioner Padget reported on the Albers Mill Building Title Holding Board. The building continues to lose tenants but there is some interest from current tenants for increased space. When the original partnership was formed the Wheat Marketing Center put in \$3.7 million more than the Bill Naito Group. Since then, the partnership has paid WMC 8% on that \$3.7 million which results in about \$300,000 annually. Unfortunately, the draws against the building have increased due to the upgrades needed to maintain the building. They are currently at 69% occupancy but as previously stated that continues to decline. Although Darren is going off the Commission and WMC Board, he is planning to continue on the Albers Mill Building Title Holding Board.

Commissioner Hansell reported that Dana and Amanda will be attending the USW Summer Meeting as he will not be able to attend. The RAPP funding decisions will be delayed so projects that were proposed under that program set to start in July are delayed and postponed. We were hoping to hear about the larger fund requests or the fund announcement on food assistance funds that that would be announced.

Sponsorship Requests

The Pacific Northwest Wheat Quality Council, which we typically only sponsor for a \$100 annual support of their audio-visual conference expenses is requesting some additional support to ensure that they've got some of their next generation engaged. The Washington Grain Commission has included this in their proposed budget and the Idaho Wheat Commission will be considering this funding each in the amount of \$1,121.67. CEO Hoey recommended support of this effort.

Another request that was received was for field days. We have seen an increasing number of these requests through the Commission and the League. CEO Hoey has already responded that the funding is not available in this year's budget. We anticipate that these requests will continue to come in and it is not recommended for approval as we do support the base research and outreach. It was agreed that the Commission intent was not to sponsor field days at this time.

Commissioner Padget moved to approve the sponsorship of the additional attendees to the PNWWQC in the amount of \$1,121.67. Commissioner Brewer seconded the motion. Commissioner Marguth was absent. With all remaining Commissioners present, the motion passed unanimously.

OSU Crop and Soil Sciences Update

Department Head Tom Chastain updated the Commission on some of the personnel searches that may be of interest to the Commission. The Assistant Professor of Practice and Extension searches for the North Valley including Washington, Polk, and Yamhill counties. They have two candidates being considered and interviews have been completed. The Assistant Professor and Extension Weeds Specialist has 4 candidates and we're expecting those interviews to start in the next few weeks. The search for the Department head of Crop and Soil Sciences will be closing

on April 29th. They are expecting an announcement by the legislature soon regarding funding for two positions related to organic crop production. Lastly, thank you for your consideration of support for our upcoming Hyslop farm field day which is scheduled for May 22nd. OSU is excited to have several announcements that day including the release of the newest wheat variety and a new plot combine which was donated by the Oregon Grass and Clover Seed Commissions.

FY 2024-25 Proposed Budget

CEO Hoey reviewed the budget for consideration and advised the Commission that they are acting as the budget committee for a work session that will finalize a proposed budget for consideration at the budget hearing in May. Given the level of our projected beginning cash balance the Commission policy requires we budget at least \$2.2 million in expenditures and be aware that our reserves are not permitted to exceed \$4.5 million so we have to budget for reserves moving below that before the beginning of the next fiscal year. Reserves have substantially grown over the last couple of fiscals projected as we come into the 2024-2025 fiscal year, we are looking at a \$4.429 million assuming all of the projections are correct.

Revenue: CEO Hoey reminded the Commission that we have moved to a revenue based on the prior crop year as a base. She reviewed the draft revenue estimating wheat assessments at \$1,982,000, barley assessments at \$17,140, interest income at \$156,000. We don't anticipate any miscellaneous income this year and although we do anticipate some assessment penalties to be collected in the coming year from our pending litigation until things are finalized, we are unable to estimate a penalty.

Personnel Services: Salaries includes current staffing levels with a cost-of-living increase, and minor increases for FICA, health insurance and retirement bringing the category to \$411,989. This does include some room for overtime and other pieces including the Commissioner per diem.

Materials and Services: Professional services includes a very small increase for accounting and payroll and some moving expenses. Meals and lodging and travel costs are both drafted higher as we have seen an increase in the need for travel as well as the cost of that travel. Office rent is mostly comprised of the current lease through the end of March 2025 with their increases in operational expense and April through June in the new facility. Repairs and Maintenance remains at the same level just in case, but we do not foresee a need. Legal and audit expects the wrapping up of the current litigation and a non-audit year. Computer Maintenance includes our current on-call IT provider and some additional costs for the move. The total material and services as presented was \$213,456.

Research: Research as presented includes all those proposals approved at the February meeting. There were a few concerns brought up at the February meeting for discussion. One was the portion of the proposal from Judit Barroso for the weed chipper. CEO Hoey reached out to Judit with the concerns and was informed that the chipper will be shared and she has received contributions of \$25,000 each from Christina Hagerty, Francisco Calderon, and CBARC. She is only responsible for the remaining \$25,000 of which she is requesting \$8,000 from the Commission. The other project that was discussed at the February meeting was the Stripe Rust project proposed by Xianming Chen. The total research expenditure as presented were \$792,017.

Marketing: U.S. Wheat Associates has kept their total budget from states the same as last year, but the state distribution is based on Olympic average of production, this year it has decreased slightly to \$191,300. Wheat Marketing Center has requested to maintain their general support and their crop quality projects at the same rate as last year with one additional request for \$4,000 to support the development of a new website. The total marketing expenditures as presented were \$341,827.

Grower services: The Oregon Wheat Growers League contract is budgeted to continue at the same level as last year and the grower workshop is increased slightly due to meals and lodging expenses. The total grower service expenditures as presented were \$497,500.

Unallocated: The budget as presented does include Uncommitted market development of \$10,000 and New and unallocated of \$20,000 to give us a little flexibility within the year but which will likely remain unspent.

ODA Commodity Commission Oversight is budgeted at the regular level of \$42,000.

Discussion: Commissioner Padgett feels the stripe rust research is redundant given that releases of susceptible varieties continue. Commissioner Brewer feels this research serves as more of a predictor of the season and the upcoming issues with stripe rust variations. CEO Hoey expressed a concern that with Chris Mundt's retirement elimination of this work may put additional strain on our other researchers.

Commissioner Padgett moved to remove the \$12,000 in Stripe Rust research funding from the proposed budget. Commissioner Prybylowski seconded the motion. Commissioner Marguth was absent. Commissioners Padgett, Hansell, Middleton and Tuckness supported. Commissioners Prybylowski, Brewer and Rye opposed the motion. The motion passed.

Commissioner Hansell moved to approve the presented budget with the removal of the \$12,000 project from Xianming Chen as the 2024-2025 Proposed Budget. Commissioner Brewer seconded the motion. Commissioner Marguth was absent. With all remaining Commissioners present, the motion passed unanimously.

CEO Update

CEO Hoey reported we have several trade teams already on the books, but the Regional Ag Promotion Program funds are pending announcement, and the delay will cause the postponement of some of the upcoming US Wheat Associates (USW) planned activities. USW will be hosting a Korean Noodle Flour Team and TJ Bernards, the North Valley League President, has agreed to host them for a farm tour.

CEO Hoey recently participated in the North and South/Southeast Asia Unified Export Strategy (UES) meeting. The UES is an extensive planning process used by USDA and USW in determining the investment of federal trade promotion funds. This was a great opportunity to interact and gain greater market detail from the USW Country Directors from China, Taiwan, Korea, Japan, and the team from Southeast Asia. A few upcoming events that will have a budget

impact are the North and South/Southeast Asia Marketing Conferences to be held in 2025 and in 2026 the Latin America Marketing Conference as well as anniversary celebrations in Japan (70th) and Taiwan (60th). Ahe also attended the Korean Ag Trade Mission was immediately following the planning sessions and was a good opportunity to interact with USDA Under Secretary Taylor as meeting with the Major Mills and Korea and the new Chair of the Korean Flour Millers Association.

On the research side, we have a signed agreement on the Cereal Pathology Endowment which thanks to Staci Simonich and the College of Agricultural Sciences will include a \$50,000 match to the \$250,000 contributed by the Commission. The new OSU Variety Trial App demonstration will be at the May meeting as it is close to completion but not quite ready for launch. The app was developed by students at OSU at no cost to the Commission. WSU has shown interest in using the same platform for their variety trial data.

CBARC is working through the steps in preparation for the greenhouse renovation that we allocated the ARF carryover funds to at the last meeting. CBARC will be holding an open house in May for those interested in a walkthrough. The Tri-state Commissions will be writing a collective thank you letter to the Army Corp of Engineers for their early communication on that river closure so that we could do everything we needed with our markets.

We have three Commissioner openings this year, Darren's producer position as he is not eligible for reappointment, Brent Martin from Morrow County has applied for that position. Jason Middleton has reapplied for the handler position he currently holds and for the public member position, which is currently held by David Prybylowski, he has reapplied as well as another applicant that currently serves on the Hemp Commission. The OWGL has submitted their recommendations to Director Charpiloz Hanson.

CEO Hoey reported on the Oregon Wheat Growers League Activities, the 2024 short session of the state legislature held to less controversial items and focused on budgets. There were just under 300 bills of which we monitored about 10%. The 2025 session will likely be a very different story with some really challenging issues. I am pleased to report that Dalton Advocacy did very well in some negotiations which may lead to them being invited to critical discussions in the future. We are starting to focus on education in preparation for the next session with a Legislator tour of the Wheat Marketing Center and CET which is scheduled for May 13th. Thanks to both for agreeing to host this group.

The League continues to work on solar policies which is a balancing act since the OWGL believes growers have the right to make decisions on their own land but this issue also has the potential to have significant long-term impacts on the industry through the loss of wheat producing acres and the loss of opportunities for young farmers. A recent study estimated Oregon solar acreage at 80,000 over the next 5 years which could reduce assessment income by \$20,000. Thad Eakin the OWGL Secretary/Treasurer is serving on the Eastern Oregon Solar Siting Rulemaking Advisory Committee. The OWGL is also involved in conversations with companies seeking to establish mitigation funds.

At the most recent NAWG Meeting it was decided that they will be eliminating the meeting that was historically held at the Commodity Classic and focus on alignment with U.S. Wheat

Associates and hill visits in D.C. CEO Hoey attended a panel with staff from the four corners (House and Senate majority and minority) to discuss the status of the Farm Bill. She also recently took advantage of some of our Congressional folks being back in district to discuss the farm bill and the Food Aid bill.

The 2024 Grain Grower Convention will be held in Coeur D' Alene, Idaho hosted by Washington. In 2025 Oregon and Idaho will have a bi-state convention in either Boise or Sun Valley, Idaho and in 2026 we are hopeful we will return to a Tri-state Convention to be held in Pendleton, Oregon for the 100th anniversary of the OWGL.

CEO Hoey was asked about the outcome of HB 4111 which was a bill put forward by the Oregon Association of Nurseries to provide consistency regarding the property tax assessment of ag equipment. She was also asked about any updates on HB4, the new GM wheat that has been released on Argentina and Brazil. We are hearing customers in Japan, Korea and Taiwan continue to express that their consumer groups have no tolerance for GM wheat. An additional conversation is developing around regulations on foods made with GM wheat.

Adjourn

Chairman Tuckness adjourned the meeting at 2:01 p.m.

Next Meeting

The next meeting will be May 6th, 2024, in The Dalles.

Approved



Dana Tuckness, OWC Chairman

Prepared and submitted by OWC Associate Administrator, Tana Simpson