



**Oregon Wheat Commission Meeting
February 22, 2023 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 Hilton Garden Inn in Corvallis, OR with video/phone conference availability. Commissioners in attendance for all or part of the meeting included Dana Tuckness – Chairman, Tyler Hansell – Vice Chairman, Jordan Van Zante – Secretary/Treasurer, Jerry Marguth, Darren Padget, David Brewer, Jason Middleton, and David Prybylowski. Staff members present were Amanda Hoey, CEO; Tana Simpson, Associate Administrator; and Corey Shrader, Project and Office Coordinator. Chairman Tuckness called the meeting to order at 8:03 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: Tom Chastain, Ryan Graebner, Chris Mundt, Bob Zemetra, Alexis Eichler, Jason Flowers, Dalton Henry, Peter Laudeman and Walter Powell.

Additions/Changes to the Agenda

CEO Hoey requested an addition to the agenda to include the presentation of research proposals by Chris Mundt, in light of his inability to participate yesterday.

Minutes of Previous Meeting

The minutes from the November 2022 Commission meeting were provided.

Commissioner Van Zante moved to accept the November 2022 meeting minutes as presented. Commissioner Hansell seconded the motion. With all Commissioners present, the motion passed unanimously.

December 2022 Financial Report

Associate Administrator Simpson presented the December 2022 Financial Statements for consideration.

Commissioner Hansell moved to accept the Financial Statements through December 31, 2022. Commissioner Padget seconded the motion. With all Commissioners present, the motion passed unanimously.

Discussion: CEO Hoey requested a review of the financial statement format to determine if the Commission would like to retain its current format or move to a year-year comparison on the balance sheet. The advantage of a year to year comparison is that it allows a better reflection of what would be expected for the point in time at which the

financials are reported.

Commissioners requested that both the fiscal year end and the prior year comparison be included in the next financial statements on the balance sheet for review.

Policies and Procedures Review

Commissioners reviewed the Oregon Wheat Commission Policies and Procedures manual. CEO Hoey recommended changes to clarify the Commissions meeting notice procedures and update the meeting policies to bring them in line with current operations and technologies.

Commissioner Marguth moved to approve the changes to OWC Policies and Procedures Section V. A-D as attached. Commissioner Padget seconded the motion. With all Commissioners present, the motion passed unanimously.

Travel Requests

CEO Hoey requested approval for travel of Commissioners and staff to the U.S. Wheat Associates Summer Board Meeting in Minneapolis, Minnesota in July 2023.

Commissioner Hansell moved to approve travel for three Commissioners and CEO Hoey to the U.S. Wheat Associates Summer meeting. Commissioner Prybylowski seconded the motion. With all Commissioners present, the motion passed unanimously.

CEO Hoey reviewed upcoming U.S. Wheat Associates events, including the South and Southeast Asia Wheat Marketing Conference, the Latin American Buyers Conference and the North Asia Marketing Conference and the opportunities for participation. The South/Southeast Asia Marketing conference will take place in May in Thailand. Commissioner Padget noted that it would be followed by the 50th Anniversary Celebration of the Korean office. Dates for the Latin American Buyers conference and North Asia Marketing conference are still tentative.

Commissioner Marguth moved to approve travel for one grower Commissioner to the U.S. Wheat Associates South and Southeast Asia Wheat Marketing Conference, the Latin American Buyers Conference and the North Asia Marketing Conference. Commissioner Hansell seconded the motion. With all Commissioners present, the motion passed unanimously.

OSU Update

Chris Mundt presented his 2023-2024 proposal, Screening for Resistance to Major Wheat Diseases in Oregon, and the joint proposal he has with Bob Zemetra and Posy Busby, Wheat Microbiomes and Multiple Disease Resistance. Dr. Mundt also reiterated that he intends to retire in December of 2023 but plans to continue some of his ongoing projects through completion including the Wheat Microbiome project.

Walter Powell provided an update on the status of the Wheat Breeder recruitment process. He and Commissioner Tuckness serve on the search committee. He thanked all those who participated in the seminars and met with the top two candidates selected for an interview. He also thanked Chris Mundt for leading the search committee and the Dean for the College of Ag for including stakeholders on the search committee. He noted there is strength in both candidates and the successful hire will need to be supported by industry. Tom Chastain added that OSU is in

the process of negotiating with the top candidate. The college is working hard to fast track this process and get someone in place quickly. Bob Zemetra noted that Mark Larson is a long-time member of the breeding program and will be very helpful in getting the new breeder up to speed.

CEO Hoey provided an update on the conversations regarding refilling the Corvallis based Cereal Pathology position. The position is under the Department of Botany and Plant Pathology and she met with the Department head, Joey Spatafora, regarding the importance of the position to the wheat industry. She noted she feels the sentiment is shared by OSU and understands budgetary constraints facing the University in their position considerations. She suggested the Commission send a follow-up letter reiterating the importance of this position to our industry and designating it as a priority position. She also suggested a conversation, once we have the new wheat breeder on board, with Chris Mundt and Christina Hagerty to discuss their collaborative efforts and how the Commission could best support them.

Commissioner Prybylowski moved to approve a letter be sent to both the College of Agricultural Science and the College of Botany and Plant Pathology expressing support for the refilling of the Cereal Pathology position. Commissioner Marguth seconded the motion. With all Commissioners present, the motion passed unanimously.

CEO Hoey provided an update on the barley program, with Dr. Pat Hayes announcing his retirement in the coming year. The department is in the process of considering scenarios that would continue this program. Dr. Hayes has also reached out to the industry in an effort to develop support for continuation of the program.

CEO Hoey provided follow up to the November meeting discussion on endowments. In that meeting, the Commission requested CEO Hoey and past-Commissioner Walter Powell work on options that would support the goal of retaining essential research positions long term. She provided optional pathways for consideration and requested the Commission establish relative priorities for position funding. She noted that there are two positions that seem to be key for consideration in the immediate term: the Cereal Pathology position and the Cereal Quality position.

Discussion: Wally Powell stated that the need for an endowment is critical for protecting positions but also makes the positions more desirable for candidates when recruiting. He noted concerns with the standard fees through the OSU Foundation endowment model and had explored alternatives outside of the OSU Foundation model. The Commission discussed the standard endowment model and the 'current use' funding model.

The Commission preference in relative priority is first, establishing funding for supporting the Cereal Grains Pathology position and second, establishing funding to support the Cereal Grains Quality position.

The Commission requested continuation of the conversation as part of budget discussion preparations in April.

Research Proposals Discussion

CEO Hoey reviewed the continuing research projects proposed. The Commission supported full

funding for all continuing projects.

CEO Hoey reviewed the new projects proposed. Commissioners discussed the benefits of each proposal, recommending the following be considered for the FY 23-24 budget:

- Funding the Seed Care Evaluation project, with the potential for a change in the amount based on requested changes by the Commission on the areas for evaluation (original request of \$25,000).
- Funding the Cereal Leaf Beetle project (\$5,500).
- Not funding the 'Improving plant, soil, water and wheat productivity through site specific manure and inorganic fertilizer management in Semi-Arid of Eastern Oregon' project.
- Not funding the 'Finding economic solutions to top-soil acidity through on-farm testing of different soil amendments' project.
- Not funding the 'Predicting Rhizoctonia Solani plant disease in Eastern Oregon winter-wheat systems' project.
- Funding the 'Nitrogen fertility in wheat and biofertilizers' but at a reduced level of \$15,000.
- Funding the app development, but with a request to Ryan Graebner to further explore options for the app creation given the high cost.

Executive Session per ORS 192.660(h)

Chairman Tuckness called the meeting into Executive Session pursuant to ORS 192.660(h) at 10:40 a.m. to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed. He stated that representatives of the news media and designated individuals would be allowed to attend the executive session and requested all other members of the audience to leave the meeting/videoconference. He directed representatives of the news media not to report on or otherwise disclose any of the deliberations or anything said about these subjects during the executive session, except to state the general subject of the session as previously announced. He stated that no decision would be made in executive session and that the Commission would return to open session at the end of the executive session.

The Commission returned to open session at 10:50 a.m.

Commissioner Hansell moved to approve authorization for the Department of Justice to pursue enforcement of the Circuit Court of Wasco County Summary Judgement. Commissioner Marguth seconded the motion. With all Commissioners present, the motion passed unanimously.

Executive Session per ORS 192.660(i)

Chairman Tuckness called the meeting into Executive Session pursuant to ORS 192.660(i) at 10:52 a.m. to review and evaluate the employment-related performance of the Chief Executive Officer. He stated that representatives of the news media and designated individuals would be allowed to attend the executive session and requested all other members of the audience to leave the meeting/videoconference. He directed representatives of the news media not to report on or otherwise disclose any of the deliberations or anything said about these subjects during the executive session, except to state the general subject of the session as previously announced. He stated that no decision would be made in executive session and that the Commission would return to open session at the end of the executive session.

The Commission returned to open session at 11:34 a.m.

Commissioner Padget moved to approve a salary increase for the Chief Executive Officer to \$90,000 annually starting July 1, 2023. Commissioner Marguth seconded the motion. With all Commissioners present, the motion passed unanimously.

Commissioner Updates

Commissioner Hansell reported on the outcomes from the U.S. Wheat Associates (USW) Winter meeting. The USW dues increase was approved, and the board decided to buy the building using reserves. The Farm Bill was discussed at length and the need for increased MAP and FMD funds. The Oregon attendees also met with the FBI regarding Intellectual Property Protections. They expressed concerns about infrastructure and system vulnerability. They also requested that state organizations start carrying the message back to growers to be vigilant about the security of their operational data.

Past Commissioner Powell reported on the PNW Wheat Quality Council meeting. It included international cooperators, with representatives from Korea and Japan in attendance. Most of the presented varieties performed well. CEO Hoey provided an update on the discussion about how to maintain aging equipment. Specifically, the Council discussed options for replacement of the mixograph, as it is no longer being made so there will need to be a multi-year transition to a new piece of equipment.

Commissioner Tuckness reported on this trip to the Association of Latin American Industrial Millers meeting in Lima, Peru. It was a convention of over 400 millers. He noted that U.S. Wheat Associates staff was very helpful and put him in touch with several millers that were interested in Soft White. He had several conversations with millers about how many generations his farm was, which was their way of asking about sustainability.

Commissioner Prybylowski provided an update on discussions he has had with his neighbors on wheat production in the state and pesticide use. He requested materials to help educate and support those conversations.

Commissioner Padget reported the unexpected passing of Mark Fowler, USW Vice President of Overseas Operations. Mark was a good man both personally and professionally and he will be missed.

Commissioner Middleton said they were getting snow across much of Umatilla County. He noted some concern about the potential for winter kill from earlier in the season. He noted that the crop looks poor, but we have a lot of time before harvest. United Grain has 22-23% of the crop left to buy. He expects that some of this crop will need to carry forward and if there is a big crop, they expect space to be an issue this summer.

Commissioner Brewer reported the crop was slow to germinate in his area and is small with the cold weather.

Commissioner Van Zante reported demand is slow. The biggest statistic affecting the market is

that USDA increased white wheat exports a few weeks ago to 190 million bushels. This seems unlikely given current sales are at 152 million bushels. That would mean the government thinks there will be another 40 million bushels of demand in the next two months to get loaded by May 31. He noted the likelihood of a significant carryover.

Commissioner Marguth stated the valley wheat seems to be a little slower coming out of spring this year. Rainfall is at about 80% of normal.

Commissioner Tuckness shared that the reservoirs are dry in his area and the mountains have some snow, it will depend on how the snow pack melts if the reservoirs collect enough water to make crops.

League and Foundation Update

Amanda Hoey presented the update for the League. For the Tri-State Grain convention, she noted that 2023 will return to Coeur d'Alene, ID. It is Washington's host year and they have selected that location for a return. Oregon would have been the host for 2024, but has deferred to 2026 for hosting in Pendleton, Oregon. The reasoning for this is twofold, it will ensure that the second tower of the facility at Wildhorse will be completed and it will be the 100th anniversary of the League.

In February, the League hosted Wheat day at the Capitol. The team had a great opportunity to be present in the Capitol, despite construction. Given the construction and some closures, the League made a few changes to the usual format, including the hosting of a reception the night before at the Oregon Business and Industries facility. They got a great cross section of legislators and had an hour-long meeting with the Senate President. This is a function that they hope to duplicate in future years. On the day at the Capitol, growers visited legislators' offices and provided information on issues that are expected in this session.

Today marks a significant bill deadline for posting. Roughly 3,000 bills are expected this session, of which the League will track about 10%. Bills that may be of interest to the Commission are the Endowment bill which dropped today and proposes to provide a state match toward a Cereal Grains Endowment (SB 958) and SB 458 which would restore the statewide current service level and add further resources. There are no major pesticide bills to defend, but there is a proactive bill (HB 3098) coordinated through Oregonians for food and Shelter that is designed to help us protect crop production tools in the future by developing farmworker outreach materials on pesticide management. A number of estate tax fix bills are presented this session. The League will be opposing a bill that returns from a prior session and seeks to tax diesel, tires and offroad equipment. Other bills they are already following relate to predator control, permitting, CAT tax fixes, ag overtime, addition of timber to the cropland fire bill dealing with civil liability, soil health, natural and working lands, and land use.

On the federal side, the League conducted the Mission to Washington, with a focus on Farm Bill priorities, including protecting crop insurance, enhancing reference prices, supporting research, and requests for doubling of the MAP and FMD funds. In the last appropriation the League was able to secure \$700,000 for the Pendleton station for facilities maintenance. While in DC, the League also met with NRCS to discuss the additional funds included through the Inflation Reduction Act and the accessibility of those resources for wheat producers. They highlighted

concerns that practices used effectively by wheat producers, including for pest management and irrigation efficiencies, were not currently eligible.

The Oregon Wheat Foundation just announced the 2023 scholarship recipients. They awarded 12 and had applicants from across the state. Hoey expressed her appreciation to the generous contributions from the industry that make the scholarships possible.

Commission Opening Status

Two grower positions and one handler position will be open in June of this year. Both grower positions are eligible for reappointment. Jordan Van Zante in the handler position, has reached his term limit.

CEO Report and Staff reports

CEO Hoey provided an update on the variety of trade teams already on the schedule.

A break in the meeting was taken for lunch at 12:45 pm. The meeting returned to session at 1:15 pm.

Soft White Dashboard

CEO Hoey provided an update on the status of the crop quality dashboard discussed at the December meeting. A quote has been solicited from the creators of the HRW and HRS dashboards for consideration of development of a SW dashboard. These “dashboards” provide a searchable user interface of the crop quality data that we publish annually. There is interest in combining the dashboards. Creation and annual maintenance fees would likely be based on production. Current dashboards are password protected to ensure that users are informed how to use the system.

US Wheat Trade Policy Update

Dalton Henry, U.S. Wheat Associates Vice President of Policy, and Peter Laudeman, U.S. Wheat Associates Director of Trade Policy, provided an update on current trade policy issues. Dalton shared that there has not been interest in free trade agreements in the current Administration but there are indications that they will be pursuing some enforcement of existing agreements. In place of the free trade agreements, the Biden Administration has moved toward a series of high-level economic dialogues. Dalton reported that confirmations are now in place for two key trade positions: Doug McKalip for USTR and Alexis Taylor for USDA Undersecretary of Trade.

Dalton reported on the status of SPS issues and letters related to MRLs. He provided an update on key non-tariff trade barriers, specifically highlighting the issue of Turkish flour dumping. It has been an issue for many years; at its peak in 2014 representing 320,000 MT of lost wheat exports to the Philippine market. Starting in 2015 the Philippine millers were successful in seeking anti-dumping tariffs. They were renewed in 2020 and will be up for renewal again this year.

Peter Laudeman spoke about food assistance programs being a critical piece of United States exports and 2022 being the third consecutive year of over 1 million MT of wheat donated through U.S. food aid programs. Soft white wheat has been a substantial component of those donations and most of that in recent years has been going to Yemen. With the unrest in Russia

and Ukraine and drought in the horn of Africa, it is likely the need for food aid will continue. Efforts continue on the food aid front to maintain the commodity emphasis in donation programs as opposed to the swing toward cash donations as we work through the Farm Bill process. Reflecting on one year since the Russia/Ukraine agreement, despite sanctions and banking limitations Russia has had a record year for wheat exports at around 40 million MT. It certainly has made business more difficult, but they have found a way to make it happen. It is likely that the current agreement will eventually get extended.

Discussion: CEO Hoey brought forward questions relayed from Commissioner Hansell, seeking comments on the likelihood of extension on Black Sea agreement and implications of those decisions, as well as the reflection on the one year anniversary on the war. Dalton Henry noted the uncertainty for the agreement, but anticipates that it will ultimately see renewal. CEO Hoey asked about the status of TCK testing. USW continues to provide testing. Commissioner Van Zante brought up Canadian Thistle.

Other Business

No other new business was presented.

Adjourn

Chairman Tuckness adjourned the meeting at 2:06 p.m.

Next Meeting

The next meeting is scheduled for April 10, 2023, in the Portland office, with a virtual connection available.

Approved



Dana Tuckness, OWC Chairman

Prepared and submitted by OWC Associate Administrator, Tana Simpson

Oregon Wheat Commission Policies and Procedures Manual

Revised section as adopted on February 22, 2023

V. Meetings

A. Commission Meetings

The OWC shall hold a minimum of (4) meetings a year, or more as needed, to conduct the business of the Commission. The OWC meetings are open to the general public and will be held in locations convenient to the growers on a rotating basis and that does not discriminate against any majority of assessment payers or any member of the public. The Chairman and CEO/Administrator shall prepare a written agenda and minutes to be sent to all interested parties. The agenda will include those items requiring OWC approval including, but not limited to, the OWC budget and current financial statements, personnel actions and contracts of the OWC.

Meetings will be conducted in an orderly and businesslike manner, using Robert's Rules of Order, unless the OWC rules or procedures supersede such rules. Voting on the OWC shall be with each member having one vote, including the chairman. Five members shall constitute a quorum. If there are dissenting votes on any action, these must be noted in the minutes. (Reference Commissioner Handbook)

Notice of upcoming meetings, including any committee meetings, will be sent via email or post/delivery service to: Oregon Department of Agriculture, Oregon State University, and other entities and individuals who have requested notification, within the legally required notice periods for the type of meeting held. Oregon Meetings Law requires that notice of a public meeting must be “reasonably calculated to give actual notice of time and place to interested persons.” Meetings, and committee meetings, will be posted to the Commission website and will be provided to the state of Oregon to post on their website for notice of public meetings.

The meeting notice must “include a list of the principal subjects anticipated to be considered at the meeting. If a Commission meeting will include an executive session, the public notice must include a citation to the statutory authority for the executive session.

Votes must be conducted in public and reported in the minutes. Proxy votes and secret ballots are not permitted. Each Commissioner shall have one vote when voting on business matters. A Commissioner must be present to vote; this can be accomplished by participating in discussion and voting in person or via videoconference or telephone conference.

B. Types of Meetings

ORS 192.640 sets forth three types of meetings: regular, special and emergency meetings.

a. Regularly Scheduled Meetings

The notice for a regular meeting must be reasonably calculated to give actual notice of the time and place for the meeting “to interested persons including news media which have requested notice.” ORS 192.640(1). As a matter of policy, the Commission has determined that generally, seven calendar days prior to meeting is sufficient to meet this obligation.

b. Special Meetings

Special meetings require at least 24 hours’ notice. ORS 192.640(3). As with regular meetings, press releases should be issued or phone calls made to media. In addition, subject to a rule of reasonableness, the Commission shall notify interested persons either by e-mail, mail, facsimile or telephone. News media requesting notice must be notified.

c. Emergency Meetings

An “emergency meeting” is a special meeting called on less than 24 hours’ notice. The Commission must be able to point to some reason why the meeting could not be delayed to allow at least 24 hours’ notice. An “actual emergency” must exist, and the minutes of the meeting must describe the emergency justifying less than 24 hours’ notice. ORS 192.640(3). The law requires that “such notice as is appropriate to the circumstances” be given for emergency meetings. The Commission must attempt to contact the media and other interested persons to inform them of the meeting. Generally, such contacts would be by telephone or email.

The Oregon Court of Appeals has indicated that it will scrutinize closely any claim of an “actual emergency.” Any claimed “actual emergency” must relate to the matter to be discussed at the emergency meeting. An actual emergency on one matter does not “justify a public body’s emergency treatment of all business coming before it at approximately the same time.” Nor do the work schedules of board members provide justification for an emergency meeting. The court noted: An actual emergency, within the contemplation of the statute, must be dictated by events and cannot be predicated solely on the convenience or inconvenience of members of the governing body.

C. Committee Meetings

Meetings of committees must be publicized if a decision or a recommendation to the commission as a whole will be made. Oregon courts have interpreted Committee or Subcommittee meetings are still subject to public meetings law if the body in question has authority to make recommendations to a public body on policy or administration. *See* ORS 192.610(3).

D. Meetings Out of State

Commissioners may attend meetings out of state to collaborate with similar groups on commission business. However, an Oregon commodity commission cannot deliberate or reach decisions on Oregon commission-related business while out of state. The use of videoconference technology to allow public and Commission participation in a public meeting may allow Commission business to take place in a remote setting.

