



**Oregon Wheat Commission Meeting  
April 10, 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 Oregon Wheat Commission Office, 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, 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 asked Vice Chairman Hansell to lead the meeting as he was unable to attend in person. Vice Chairman Hansell called the meeting to order at 10:01 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: Ryan Graebner, Bob Zemetra, Alexis Eichler, Jayne Bock, Mike Moran, Steve Wirsching and Andrew Ross.

**Additions/Changes to the Agenda**

No additions or changes were made to the agenda.

**Minutes of Previous Meeting**

The minutes from the February 21, 2023 Annual Research Review and February 22, 2023 Commission meeting were provided.

**Commissioner Marguth moved to accept** the February 21, 2023 Annual Research Review and February 22, 2023 Commission meeting minutes as presented. Commissioner Padget seconded the motion. Commissioner Van Zante was absent. With all remaining Commissioners present, the motion passed unanimously.

**February 2023 Financial Report**

Associate Administrator Simpson presented the February 2023 Financial Statements for consideration.

**Commissioner Hansell moved to accept** the Financial Statements through February 28, 2023. Commissioner Marguth seconded the motion. Commissioner Van Zante was absent. With all remaining Commissioners present, the motion passed unanimously.

*Discussion: The Commission discussed the security of accounts and insurance coverage provided on balances.*

### **Commissioner Reports and Updates**

Commissioner Hansell reported that the Hermiston and Umatilla areas were delayed with cool weather, but wheat is germinated and looking improved.

Commissioner Prybylowski reported on snow received at Mt. Bachelor in March. He noted the ongoing irrigation challenges impacting Central Oregon.

Commissioner Brewer reported that wheat in Wasco County wheat is starting to grow, and the moisture is encouraging, but has been delayed with the weather.

Commissioner Middleton reported that the crop is starting to look much better, following the much-needed moisture this week, but about 2 inches more rain is needed to keep pace with last year. He noted that marketing is still slow, but there is some wheat being handled. He anticipated there is about 18% of last year's crop left to buy and highlighted the likely challenges regarding storage should this year's crop be large. He provided an overview of the changes proposed at the Alicel facility. He also reported on the Wheat Marketing Center meeting which he attended in March. A rate increase on private fee-for-service work was discussed and there was a lengthy discussion of the efforts to maintain milling quality in USW classes. The WMC Board also discussed the issues with the building including the need for improvements.

Commissioner Marguth reported steady moisture in the Willamette Valley and that the wheat looks good. The temperatures have been cooler than usual, so the wheat has been a little slow to grow.

Commissioner Padget reported that once the weather warms, the crop will accelerate quickly. He noted the status of weed management. He stated his trip to Chile for the Core Competency training was productive, with conversations about improvements to the crop quality brochure. The lab there is a great use of funds as USW's only cost is the equipment as the building is furnished by the university.

Commissioner Tuckness reported that his area has been wet and cold, and their crop will be late. He also reported on the status of the OSU wheat breeder selection. OSU is still negotiating with the top candidate.

### **2023-2024 Funding Requests**

Wheat Marketing Center (WMC) presented their annual update and funding requests. Jayne Bock, WMC Technical Director, presented a request for funding an SRC shaker. She outlined that this is a critical test for soft white wheat customers which is used primarily to predict the quality of cookies and crackers. The SRC shaker would automate the shaking and increase test consistency and operational efficiency. Jayne will also be leading a conversation at AACC to develop an approved method using the shaker. The original estimate was \$28,000 but it is believed that they only need certain parts of the machine and there may be a possibility of some cost savings.

Mike Moran, WMC Executive Director, provided an update on his first year with WMC. He reported that WMC has hosted 60 tours this year, 35 trade teams and 4 diplomatic missions.

They are looking forward to participating in this year's Crop Quality seminars. The funding proposal he presented proposes to increase general support by \$10,000 to \$85,000. The Crop Quality request is \$20,640 and the SW Brochure is \$8,375.

### **Travel Requests**

CEO Hoey requested travel be approved for the CEO on the Food Aid Learning Journey to Djibouti and Ethiopia. The cost of this trip will be covered by USW. She also requested travel approval to participate in the North Asian Buyers conference in Bali, Indonesia.

**Commissioner Marguth moved to approve** travel for CEO Hoey on the Food Aid Learning Journey. Commissioner Brewer seconded the motion. Commissioner Van Zante was absent. With all remaining Commissioners present, the motion passed unanimously.

**Commissioner Padgett moved to approve** travel for CEO Hoey to the USW North Asian Buyers Conference. Commissioner Middleton seconded the motion. Commissioner Van Zante was absent. With all remaining Commissioners present, the motion passed unanimously.

### **Trade and Markets Updates**

Steve Wirsching, Vice President and Director of the U.S. Wheat Associates (USW) West Coast Office, updated the Commission on USW activities and the wheat market. USW has significant interest in trade teams this summer with 11 teams and 4 technical training courses on the schedule and more expected as we get closer.

Steve pointed out that USW funded three studies with WMC during the pandemic: HW blending, RVA for Sponge Cakes and Mechanical Folding for Sponge Cakes. These studies offer very helpful information for providing our customers with technical advice. USW hopes to do a follow up to the RVA study comparing competitor wheats. USW is pleased to be conducting the Core Competency Workshop, South Asian Buyers Conference, South Korean Office 50<sup>th</sup> Anniversary and the North Asian Buyers Conference this year.

*Discussion: The Commission discussed the usefulness of stocks to use data in relation to the changing world dynamics of wheat markets, with more market players harvesting at points throughout the year.*

In the market, world production and use are both at record highs, which continues to bring down ending stocks. Black sea ending stocks increased on the bumper crop out of Russia. Soft White year to date sales exceed last year by 36%. USDA Prospective Plantings out March 31 had corn acres up 4%, soybean acres unchanged and all wheat up 9%. Even though acres are up, HRW production is expected to be down due to drought conditions. PNW planting estimates out of NASS report increases of 3% in both Oregon and Idaho and down 4% in Washington.

*Discussion: The Commission discussed how soft white wheat purchased by China is being used and the variation between corn and wheat usage.*

He reviewed the counter-notification submitted by USTR on India's wheat and rice subsidies to the WTO on April 6, 2023. The U.S. was joined by Australia, Canada, Paraguay, Thailand and Ukraine in the filing.

### **Endowment Considerations**

CEO Hoey outlined the options for the previously discussed endowment. The Commission expressed support for a traditional OSU endowment to support the cereal grains pathology program and that the funding level would be discussed as part of the budget conversation.

### **FY 2023-24 Proposed Budget**

CEO Hoey reviewed the draft budget prepared for the Commission's consideration. She outlined that the reserve/beginning balance is projected at \$4,364,554. Based on the Commission's policy, with that level of reserve, total expenditures of over \$2,200,000 must be included. This draft budget proposes assessments for wheat and barley based on an estimate of the 2022-2023 crop. It increases interest income to \$100,000 based on the current and expected interest rate. CEO Hoey noted that miscellaneous income of \$36,186 is the expected return of unspent funds with ARF.

*Discussion: The Commission discussed the value of setting assessment expectations on averages versus the prior year. Staff reviewed the intent on the use of prior year to allow for certainty on revenue available and to message to researchers and technical service providers in advance of the budget development on opportunities for submissions of funding consideration.*

In Personnel Services, the draft budget maintains current staffing levels. In Materials and Services, this draft expects an increase in our bookkeeping services, travel, meals and lodging and office rent. CEO Hoey highlighted her recommendation in legal/audit that OWC solicit an audit more regularly than the required every five years and including in this budget. She also noted that our current office lease expires in 2025 and although that will not affect this year's budget, a decision will need to be made in this coming year so that it can be appropriately budgeted next year.

*Discussion: CEO Hoey proposed adding an additional \$10,000 to professional fees for the Commission's portion of the joint strategic planning session. The Commission discussed the need for increased travel and meals and lodging with further opening of opportunities for market engagement, and a change to the amount in those categories.*

In Special Projects, the draft includes research recommendations following the annual research review, the USW dues increase and the increased WMC request. In tri-state marketing, she highlighted that the Quality Assurance Program is included. She noted that there is no allocation included for the USW South American Technical support as the fund balance is sufficient to cover activities for the coming year. She reviewed the funding request for the League and additional funds to support the proposed strategic planning, a legislative workshop and an option to pursue an economic study.

*Discussion: The Commission discussed the soft white dashboard. Initial indication had been another source would be available to fund development. Without that option, it was not included for the draft. The Commission discussed the endowment opportunities, with consideration of a \$200,000 allocation this year and reconsideration in future budgets.*

**Commissioner Marguth moved to accept** the proposed budget with the following changes: increasing professional fees to \$23,500, increase travel to \$40,000, increase meals and lodging to \$50,000 and include \$200,000 for the Cereal Pathology research endowment. Commissioner Prybylowski seconded the motion. Commissioner Van Zante was absent. With all remaining Commissioners present, the motion passed unanimously.

**Commissioner Padgett moved to approve** 2022-2023 funding to WMC for the purchase of the SRC Shaker. Commissioner Middleton seconded the motion. Commissioner Van Zante was absent. With all remaining Commissioners present, the motion passed unanimously.

### **CEO Update**

CEO Hoey gave an update on League legislative activities that may be of interest to the Commission, including the status on Farm Bill discussions. She reviewed the status of State legislative bills related to solar siting and the impact on wheat land. She provided an overview of the OSU statewides funding request for continuing service level and expanded programming. She noted that the diesel phase-out bill has been moved to a study.

CEO Hoey gave an update on Commission activities, noting the participation in the grower workshop and the expanded trade team activity. She noted that the Commission has three Commissioner positions that will be coming are open. The application period has closed, with Jerry Marguth and Dana Tuckness submitting applications for reappointment. Jordan Van Zante is term limited and we have an applicant for the export handler position. ODA has received applications for those positions, and they are in the process of reviewing and making appointments.

CEO Hoey provided an overview of the Oregon Wheat Foundation activities, including the overview of their new website and the upcoming golf tournament fundraiser.

### **Other Business**

No other new business was presented.

### **Adjourn**

Chairman Tuckness adjourned the meeting at 2:02 p.m.

### **Next Meeting**

The next meeting is scheduled for May 15, 2023, at the Fairfield Inn in The Dalles, OR, with a virtual connection available.

### **Approved**



Dana Tuckness, Chair

*Prepared and submitted by OWC Associate Administrator, Tana Simpson*