

# **MONTANA WHEAT AND BARLEY COMMITTEE**

**Annual Budget Meeting**

**Columbus Center**

**2<sup>nd</sup> Floor Chapel**

**Great Falls, Montana**

**March 31-April 1, 2015**

The following were present for either a portion of or the entire meeting.

## **DIRECTORS**

Randy Hinebauch, Chairman

Tom Siderius, Vice Chairman

Leonard Schock, Director

Chris Kolstad, Director

Buzz Mattelin, Director

Bruce Myllymaki, Director

Mike O'Hara, Director

## **EX-OFFICIOS**

Not Present: Ron de Yong, Director, Montana Department of Agriculture

Not Present: Byron Grassman, Manager, Mountain View Coop

Not Present: Dr. Charles Boyer, Vice President of Agriculture, MSU

## **STAFF**

Collin Watters, Executive Vice President

Cassidy Marn, Marketing Program Manager

Steve Becker, Outreach Coordinator

Kolleen Spurgin, Budget & Grants Coordinator

Tammy Suek, Administrative Assistant

## **GUESTS**

Lola Raska, Executive Vice President, Montana Grain Growers Association

Lochiel Edwards, TTMS Group

Dale Schuler, President, Montana Grains Foundation

Dan Works, Vice President, Montana Grains Foundation

Kevin Brown, Director of Business Development, MSU Alumni Foundation

Joel Clairmont, Deputy Director, Department of Agriculture

Ben Tiller, Staff Attorney, Department of Agriculture

Cort Jensen, Staff Attorney, Department of Agriculture

Jeff Rumney, Bureau Chief, State Grain Lab

Chris Christiaens, Project Specialist, Montana Farmers Union

Barry Jacobsen, Dean's Office, MAES

John Sherwood, PSCP Head, MSU

Maia Ageson, Ag Liaison, Senator Tester's Office

Frank Schoonover, Producer

Terry Whiteside, Whiteside & Associates

## **Tuesday, March 31, 2015:**

*Chairman Hinebauch called the meeting to order at 8:00 a.m.*

Director Myllymaki made the motion to adopt the tentative agenda with changes and Director Schock seconded it. The agenda passed unanimously.

Chairman Hinebauch called for public comment and heard none.

### **Review of February 18-19, 2015 Meeting Minutes**

Executive Vice President Collin Watters presented the minutes of the February Research Review Board Meeting.

Director Mattelin moved and Director Kolstad seconded the motion to approve the minutes with changes. The motion passed unanimously.

### **Financial Review**

Kolleen Spurgin presented the Financial Statement and Assessment collection update. She is working on developing a dashboard for the financials. Deputy Director Clairmont explained that the State Grain Lab will be getting their ventilation system installed before the June 30 deadline.

Director Schock felt there was at least 45 – 50% of grain left in the bins in eastern Montana, the other directors thought there was less in their areas.

Director Kolstad moved to accept the financial statement. Director Schock seconded the motion. The motion passed unanimously.

### **Montana Department of Agriculture**

Deputy Director Clairmont updated the committee on legislation, the Food Ag Development Center was funded and HB2 is making its way through the Senate.

### **State Grain Lab**

Jeff Rumney talked about the lab and the progress they are making to become self-sufficient. Their income has increased by 12% and they are running in the black.

### **World Malt & Beer Conference**

Director Mattelin attended the conference in Ireland, where he met with several top buyers of barley. It was an informative meeting and well attended.

### **Missouri River Recovery Improvement Committee**

Director Mattelin reported on the meeting held in Kansas City where a lot of the discussion was focused on the construction on the intake on the Northern Yellowstone River.

### **National Barley Improvement Committee**

Director Myllymaki attended this meeting in Washington DC and was set up with a very busy schedule visiting Congress. Most of the discussion was on the fusarium head blight and the rise in Craft Brewers.

### **Wheat Marketing Center**

Director Myllymaki went to the Portland meeting where the focus was on developing a job description for the director's position.

### **Outreach Coordinator Report**

Steve Becker gave a brief update on how the Producer tour to Portland went. He thought the group got a lot of information out the experience. Lola Raska suggest that maybe a State Legislator might be considered for an upcoming trip.

### **Wheat Quality Council**

Former Director Schoonover reported on his trip to Kansas City to attend the meeting. He thought it was a good conference and said a lot of the conversation was centered on organic farming. He is not sure who will be taking over after Ben Hancock retires in 2017.

### **Program Manager Report**

Cassidy Marn and Director O'Hara attended the Legislature Ag luncheon in Helena, there was a very nice turn out of about 450 in attendance.

### **Executive Vice President's Update**

Collin Watters reported on his trip overseas on the HRS Mission with USWA. They were concerned about quality, but the biggest concern was buckwheat contamination in their wheat shipments. Buckwheat is an allergy concern in Asia.

Northern Seed has offered to help with our grow-outs for the quality surveys. Collin did some more research on the variety release process and reported back to the committee. A suggestion was made to increase the research fees and perhaps find a middle ground between private and public releases. John Sherwood gave an in-depth explanation on Certified Seed.

Collin would like to have direction from the board and the having a strategic plan in place would help in some of the decision making process. We will schedule a planning session for the summer board meeting.

### **Rules & Laws Presentation**

Cort Jensen presented a draft of the proposed rule changes for the Wheat & Barley Committee. He included a section on deferred payments when it comes to refunds and indirects in the grant process.

Director Kolstad moved to direct Cort Jensen present the proposed rule changes to the other farm organizations for comment and Director Schock seconded. The motion passed unanimously.

### **Approval of Staff and Director Travel**

A few items were added to the upcoming travel (see below) for approval.

Director Mattelin moved to accept the new travel schedule with additions and Director Myllymaki seconded. The motion passed unanimously.

### **Transportation Presentations**

Three groups were asked to present to the committee how they could be of help in dealing with the transportation issues that Montana farmer's encounter. The groups and their representatives were as follows:

NAWG – Lola Raska

TTMS Group – Lochiel Edwards

Whiteside & Associates & ARC – Terry Whiteside

Ben Tiller gave a report on the transportation work the Department of Agriculture is doing.

Cort Jensen gave a brief explanation on how the RFP process is set up.

### **Lunch**

#### **Risk Management Presentation**

Brett Dahl the Administrator for the Risk Management & Tort Defense Division of the Department of Administration presented a PowerPoint to the board on what kind of insurance coverage they have when traveling for the committee.

#### **MSU Alumni Foundation Report**

Kevin Brown gave an estimation of when the endowed chair would be in place. The Foundation has started soliciting for corporate donations and have some very large corporations considering a donation.

Director Mattelin is on the advisory committee which will meet at least 2 times a year. The Foundation has identified four candidates and will start the interview process in April.

#### **New Business**

The summer board meeting will be in Havre on June 30<sup>th</sup> and July 1<sup>st</sup>. There will be a strategic planning meeting for part of that time.

The board decided to have U.S. Wheat Speak for 15 minutes at the Montana Grain Growers convention and ask another speaker to speak for the remaining 45 minutes.

#### **Budget**

Before starting the budget process Executive VP Watters explained the sponsorship application and how that will work in the grant process. All sponsorships will be \$2500 or less and be approved by the chairman and staff, with a maximum of \$10,000 being set aside for sponsorships.

Director Schock moved to allow applications that are \$2500 or less be considered sponsorships and handled by the chairman and staff and seconded by Director Myllymaki. The motion passed unanimously.

*Chairman Hinebauch adjourned the meeting at 5:00 pm.*

### Upcoming Events

Apr. 7	State Executives Meeting – Salt Lake City, UT
Apr. 14-17	Craft Brewers Conference – Portland, OR
Apr. 21	PGI Board Meeting – Denver, CO
Apr. 18-26	USWA Breeders Team – Korea
May 8-10	Japanese Executive Millers Team – Great Falls
May 19-21	MRRIC – South Dakota
May 25	Memorial Day – Office Closed
Jun. 8-10	National Barley Growers – Chicago, IL
Jun. 16-17	Wheat Foods Council Board Meeting – Durango, CO
Jun. 23	NCI Board Meeting – Fargo, ND
Jun. 24	Field Day – Kalispell
Jun. 24-26	Buckwheat Trade Group – Bismarck, ND
July 1	MWBC Board Meeting - Havre
July 1	Field Day - Havre
July 3	Independence Day – Office Closed
July 12-15	USWA Board Meeting – San Diego, CA
July 12-16	PNWER – Big Sky
July 14	Field Day – Sidney
July 16	Field Day – Moccasin
July 17	Field Day – Conrad
July 21	Field Day – Bozeman
July 23	Field Day - Corvallis
July 27-29	U.S. Grains Council 55 <sup>th</sup> Annual Meeting – Montreal, Canada
Aug. 5-8	Philippines Trade Team – Eastern Montana
Aug. 30-Sep. 4	USWA World Staff Meeting - Guatemala
Sep. 7	Labor Day – Office Closed
Oct. 12	Columbus Day – Office Closed
Nov. 3-5	U.S. Wheat Fall Board Meeting – Tahoe, CA
Nov. 6-24	USWA-Asian 2015 CQ Tour – Asia
Nov. 11	Veterans Day – Office Closed
Nov. 26	Thanksgiving Day – Office Closed
Dec. 1-3	Montana Grain Growers Convention – Great Falls
Dec. 25	Christmas Day – Office Closed

### Wednesday, April 1, 2015

*Chairman Hinebauch called the meeting to order at 8:00 a.m. He called for public comment.*

There was a discussion about the transportation options that the committee has and compared proposals.

### Budget

The board started reviewing and discussing the proposed line items of the budget, starting with Operations.

Director Schock moved to approve the operations budget of \$783,029 and Director Mattelin seconded. The motion passed unanimously.

They worked on the Marketing portion of the budget next and approved the following:

Director Schock moved to approve the marketing budget of \$1,155,281 and Director Mattelin seconded. The motion passed unanimously.

The education and information followed with some discussion on the Rural Advocacy proposal. The decision was made that a letter would be written to the University of Montana to support future agriculture lawyers and sponsor the trip to Charleston.

Director Schock moved to approve the education & information budget of \$332,183 and Director Mattelin seconded. The motion passed unanimously.

Transportation was the next budget item and more discussion.

Director Schock moved to approve the transportation budget of \$154,000 and Director Mattelin seconded. The motion passed unanimously.

The research section was the last portion of the budget to be worked on and with the help of John Sherwood and Barry Jacobsen.

Director Schock moved to approve the research budget of \$2,126,315 and Director Mattelin seconded. The motion passed unanimously.

There was a discussion on the amount to be given to the Endowed Chair this year; a decision was made to sweep any leftover FY15 funds under \$100,000 to the fund.

Director Kolstad moved to sweep any remaining funds under \$100,000 to the Endowed Chair fund and Director Mattelin seconded. The motion passed unanimously.

Director Schock moved to approve the entire budget of \$4,550,808 and Director Mattelin seconded. The motion passed unanimously.

*Chairman Hinebauch called for public comment.*

*Chairman Hinebauch adjourned the meeting at 3:00 p.m.*

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Collin Watters, Executive Vice President

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Date