

**Montana Wheat and Barley Committee**  
**Spring Board Meeting**  
**#108 Plant Bioscience Building, MSU**  
**Bozeman, MT**  
**March 12, 2018**

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

**DIRECTORS**

Mike O'Hara, Chairman

Denise Conover, Vice Chairman

Bruce Myllymaki, Director

Buzz Mattelin, Director

Randy Hinebauch, Director

Alan Klempel, Director

**EX-OFFICIOS**

Dr. Charles Boyer, Vice President - MSU College of Agriculture

**STAFF**

Collin Watters, Executive Vice President

Kolleen Spurgin, Budget & Grants Coordinator

Steve Becker, Outreach Coordinator

**GUESTS**

Kim Mangold, Deputy Director - Montana Department of Agriculture

Lola Raska, Executive Vice President – Montana Grain Growers Association

Jesse Anderson, Ag Representative – Senator Jon Tester's Office

Lochiel Edwards, Director, Montana Grains Foundation

Bret Conover, Producer

**Monday, March 12, 2017**

*Chairwoman Conover called the meeting to order at 1:00 pm.* Introductions were made. And any public comments were requested.

Executive Vice-President Watters reminded everybody about the meet and greet MSU Research Poster Reception located at the Plant Science Building from 4:30 p. m. to 6:00 p.m., right after the board meeting. He also mentioned the schedule for presentations in the morning from 8-10 a.m. starting with Luther Talbert, Spring Wheat Breeder; Phil Bruckner, Winter Wheat Breeder and Hikmet Budak, Endowed Chair. Tours of the Cereal Quality Lab, the Malt Barley Lab and Mike Giroux's Durum Lab will be given starting at 10:00 a.m. No other public comments were given.

Chairwoman Conover presented the minutes of the November 27-28, 2017 Board Meeting.

Director Myllymaki moved and Director O'Hara seconded the motion to approve the minutes. The motion passed unanimously.

### **Financial Report and Collection Update**

Executive Vice President Watters gave an update that Central Services Division had just hired a new Administrator, Cindy Trimp – who came from Dept. of Revenue. He mentioned it would take some time before there would be a MWBC financial report available, to give enough time to review past procedures and come up with recommendations for relaying financial information regarding MWBC to the directors. The collection report and a current list of CY17 and CY18 refunders was distributed.

### **MT Department of Agriculture Update**

Deputy Director Kim Mangold gave the report for the department, the new Central Services Division Administrator Cindy Trimp, will start March 23, 2018. The Fiscal Manager, Mary Hunt recently retired and her position will be advertised and filled as soon as possible. The Dept. of Agriculture is expanding the SGL in Plentywood by adding the lab onto Columbia Grain Inc. location and will also be adding new staff. Last year inspection fees for wheat and barley were increased and this year the pulse inspection fees will increase on April 1, 2018. The SGL will be adding canola licenses to the mix of services provided due to the increase in canola acres. The next pulse board meeting will take place in Great Falls at the Hampton Inn on March 20, 2018.

### **MSU Update**

Dr. Boyer reported that MSU would be celebrating their 125th year anniversary this year and passed out lapel pins and bookmarks. He mentioned personnel changes at NWARC with Bob Stougaard, current superintendent taking a position in Georgia. Jessica Torrior will be interim superintendent with help from Darrin Boss, superintendent of NARC, while the recruitment process is ongoing. MSU has a large project list to take to the next Legislative session totaling \$93 million dollars. Also, every ten years a 6-mil levy for higher education is put on the ballot and if this levy fails it cuts 10% of the total budget, which will cause severe cuts in all programs. MSU is converting one time only funding for the state seed lab to permanent funding and working with seed lab staff to do everything possible to protect our Montana varieties.

### **U.S. Wheat Association Meeting**

The USWA meeting was held in Washington DC and attended by Director Klempel and EV President Watters. Director Klempel attended orientation, was given an overview of Foreign Market Development (FMD) programs and introduced to USWA staff by Steve Wirsching. Discussion regarding the first transportation working group was held, with everyone seeming to be happy, with at least the service end. There was lots of talk about the uncertainty surrounding NAFTA and TPP trade agreements and what can be done to help our trade relationships withstand this difficult time and come out on top.

EV President Watters commented on the first transportation working group and noted everyone was glad to have more state involvement. Also, mentioned National Grain and Feed Association was open to USWA participation in their transportation group. Discussion again came back to current trade issues and how getting back into TPP was good and timely. The US may lose half of the current market share within the next 9 years if a trade deal is not researched.

### **U.S. Grains Council**

Directors O'Hara and Mattelin attended the USGC Board meeting in Washington, DC. Director Mattelin reported the meeting was dominated by corn issues, talk of USGC taking on ethanol and lots of trade talk. USGC distributed a handout explaining MAP and FMD funding and how important it is to farmers to maintain these programs. CBO scoring of these programs has become problematic and thoughts of combining the various programs has been discussed. Director Mattelin mentioned he would not be re-applying for any USGC working groups, but thought Director O'Hara, may want to apply.

Director O'Hara reported the Secretary of USDA, Sonny Perdue told the group that he was working for the farmers. The USGC representative, Ryan LeGrand had mentioned the current situation wasn't good, but was trying to stay positive. Montana is number one in barley acres with food barley up 60%, however malt capacity is 30% over what is being utilized at this time.

### **National Barley Growers Association**

Directors Mattelin, O'Hara, and EV President Watters attended meetings for NBGA in Washington DC. The meeting was well attended by all agriculture committee staff with good conversation and some optimism. USGC representative, Kurt Schulz, reported beer sales have been flat and seem to be going down. There are now 6200 craft brewers in the U. S., with 2 new ones starting every day. Discussion regarding the new farm bill centered on priorities such as: TPP, NAFTA and 199A, with the number one priority being crop insurance. NBGA also hosted a meet and greet reception, well attended by staff and industry.

### **Wheat Foods Council Update**

Director Conover attended the Wheat Foods Council Board meeting in Arizona, where they discussed the continued campaign involving personal trainers and travelling to trade shows where up to more than 10k people are at one show. Also, reaching out to bloggers and taking them on farm tours to help get good information out there for everybody. K & M, the marketing group used by WFC, put on a good presentation on how to counteract negative publicity. The scientific information backs up claims that wheat has not changed now versus ancient wheat.

### **National Barley Improvement Committee**

Director Mattelin attended the NBIC in Washington DC and visited with representatives on Capitol Hill to relay information on barley. He mentioned there was some concern regarding the wheat and barley SCAB Initiatives where there were overhead cost discrepancies. USDA stating overhead costs can go up to as much as 22%. NBIC wants a cap at 10% for overhead costs. There was generally good support and discussion about the current Farm Bill and lots of trade talk. This will be the last NBIC meeting for Director Mattelin and he feels another director should take over for him.

### **Western Barley Growers**

Director O'Hara reported Canada has a huge increase in barley acres and pushing to expand this market into China, as ethanol blends are going from 5% to 10%. Canada's feed barley is higher in protein at 12%, than Australia's at 9%. U.S. barley has been difficult to get into Canada's feed market. Director O'Hara thought the information provided could be attained elsewhere without travelling.

### **Break**

### **Wheat Quality Council**

Director Hinebauch sat in on a conference call discussion for WQC. He mentioned CEO, Dave Green had been on the job for over a year now and was doing a good job for the wheat industry. Director Hinebauch reported how happy WQC was with the Montana grow-outs Peggy Lamb had helped with over the last year in Havre. Phil Bruckner's winter wheat "406" won the "Miller's Award".

### **Barley Meeting**

Director O'Hara and EV President Watters attended the Golden Triangle Barley meeting that takes place every three years in Conrad. The meeting had a good turnout with Jamie Sherman, MSU barley breeder, discussing the new malt lab and how well it has been running. Director O'Hara mentioned how much bigger the Conrad barley meeting was compared to Western Barley Growers meeting in Calgary. Feed barley has become a good opportunity in China and Canada. Current beer consumption is flat with whiskey taking the lead with millennials. Director O'Hara reported Ron Ueland had sold Northern Seed and started a malt facility in Butte.

EV President Watters gave a presentation that was well received by the group. Topics discussed included the possibility of branding Montana barley as Montana wheat has been branded. EV President Watters reported a new craft house had started in Power and he had been out to visit with them.

### **Outreach Coordinator Update**

Steve Becker gave an update on his activities for the past couple months:

- Producer Tour to Portland for March 2018 was a good group with lots of good questions but was unable to see a ship being loaded as it was shut down for cleaning.
- Young Ag Couples, everybody was interested in the current trade policy uncertainty at this time.
- Montana Grain Elevator Association (MGEA) put together a panel to discuss industry issues called "Thriving through Adversity". One issue being looked at is quantity or quality, however there is no premium for quality. Good booth traffic and lots of questions regarding trade policy.

## **Executive Vice President's Report**

EV President Watters gave an update on his activities:

- He gave a USWA presentation in Winnipeg on NAFTA – Canada would be hurt by dissolution of NAFTA. Long haul inter-switching will open up Canada rail lines to BNSF.
- He travelled to Manilla, Philippines and spoke with top millers who prefer U. S. wheat but will have to be more willing to look at the numbers and buy smarter.
- He travelled to Tokyo, Japan for the 70<sup>th</sup> Anniversary of the Japan Flour Millers Association – they want U. S. back in the TPP, as they don't want to change what is working. However, they don't want to renegotiate TPP, but want U.S. wheat available.
- A new variety from Limagrain named "Jet" has been singled out, as it looks like it has frost damage, but it is just the appearance of the kernel.
- He wants input on a replacement for Steve and what is most important.
- He has continued working on transportation issues. A survey has been conducted, but couldn't be published, as a baseline must be established first.
- MWBC is looking at new directors for District 1 and District 5, as Buzz Mattelin and Bruce Myllymaki will have served their full time as MWBC directors this year.

## **Approval of out-of-state Director & staff travel**

Director Myllymaki moved and Director Hinebauch seconded the motion to approve the travel with additions. The motion passed unanimously.

### **Upcoming Events**

Mar. 16	Northern Crops Institute – Fargo, ND
Mar. 22-23	Wheat Marketing Center Board Meeting – Portland, OR
Mar. 26-27	Administrator Meeting – Oklahoma City, OK
Apr. 2-13	MWBC Sponsorship Application Open
Apr. 10-11	USGC Industry Partners Meeting – Washington, DC
Apr. 30-May 2	Craft Brewers Conference – Nashville, TN
May 28	Memorial Day – Office Closed
Jun. 12-14	Wheat Foods Council – Portland, OR
Jun. 19	Field Day – Huntley
Jun. 21	Field Day – Havre
Jun. 22-25	USWA Summer Board Meeting – Seattle, WA
Jun. 26	Field Day – Conrad
Jun. 27-28	Field to Market Meeting – Madison, WI
Jul. 2-13	MWBC Sponsorship Application Open
Jul. 4	Independence Day – Office Closed
Jul. 10	Field Day – Creston
Jul. 12	Field Day – Moccasin
Jul. 13	Post Farm Field Day – Bozeman
Jul. 17	Field Day – Sidney
Jul. 18-20	USWA Latin America Buyers Conference – Rio De Janeiro, Brazil
Jul. 21-23	USWA South Korean Trade Team – Billings & Bozeman
Jul. 26	Field Day – Corvallis
Jul. 30-Aug. 1	USGC Summer Board Meeting – Denver, CO

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Aug. 25-29	USWA North Asia Marketing Conference – Kota Kinabalu, Malaysia
Sep. 3	Labor Day – Office Closed
Sep. 7	Steve’s Last Day
Oct. 1-12	MWBC Sponsorship Application Open
Oct. 8	Columbus Day – Office Closed
Oct. 13-20	Governor’s Asian Mission
Oct. 18-19	Wheat Marketing Center Board Meeting – Portland, OR
Oct. 22-24	USGC Export Exchange – Minneapolis, MN
Oct. 29-Nov. 2	USWA Fall Board Meeting – Tampa, FL
Nov. 9-10	MSU Ag Weekend – Bozeman
Nov. 6	Election Day – Office Closed
Nov. 12	Veteran’s Day – Office Closed
Nov. 22	Thanksgiving – Office Closed
Nov. 26-27	MWBC Board Meeting – Great Falls
Nov. 27-29	MGGA Convention – Great Falls
Dec. 25	Christmas Day – Office Closed

**New Business**

The summer board meeting will be held in Lewistown on July 11<sup>th</sup> and the board will attend the Moccasin Field Day July 12<sup>th</sup>.

Call for Public Comment – none

**Chairwoman Conover adjourned the meeting right after the Executive Session ended.**

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Collin Watters, Executive Vice President

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Date