

MONTANA WHEAT AND BARLEY COMMITTEE

Annual Budget Meeting

Heritage Inn

Great Falls, Montana

November 28-29, 2016

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

DIRECTORS

Mike O'Hara, Chairman

Denise Conover, Vice Chairman

Randy Hinebauch, Director

Chris Kolstad, Director

Buzz Mattelin, Director

Bruce Myllymaki, Director

Leonard Schock, Director

EX-OFFICIOS

Ron de Yong, Director, Montana Department of Agriculture

Dr. Charles Boyer, Vice President of Agriculture, MSU

Not Present: Byron Grassman, Manager, Mountain View Coop

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

Cort Jensen, Staff Attorney, Department of Agriculture

Barry Jacobsen, Dean's Office, MAES

Kim Mangold, Deputy Director, Department of Agriculture

Lola Raska, Executive Vice President, MT Grain Growers

Rob Davis, President, MT Grain Growers

Ben Peterson, Director, MT Farmers Union

Lochiel Edwards, Director, Montana Grains Foundation

Chris Christiaens, Program Specialist, Montana Farmers Union

Walt Anseth, Ag Finance Officer, Dept. of Agriculture

Zach Coccoli, Staff Attorney, Dept. of Agriculture

Libbi Lovshin, Central Services Administrator, Dept. of Agriculture

Monday, November 28, 2016:

Chairman O'Hara called the meeting to order at 8:00 a.m. Introductions were made.

Chairman O'Hara asked for public comment and heard none.

Director Schock moved and Director Conover seconded the motion to approve the tentative agenda. The motion passed unanimously.

Review of September 15, 2016 Meeting Minutes

Executive Vice President Collin Watters presented the minutes of the Fall Board Meeting.

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

Financial Review

Libbi Lovshin presented the new format for the financials and did a fiscal year vs calendar year snapshot of the previous year.

Director Schock moved and Director Conover seconded the motion to approve the financials as presented. The motion passed unanimously.

Montana Department of Agriculture

Deputy Director Mangold gave the update for the department. They are getting ready for the legislative session, not much concerning the Committee. The State Grain Lab is asking for a fee increase it is up for public comment, before it is adopted.

Kim and Cort attended the Tri National Accord meeting in Niagara Falls. The department hired a new attorney, Zach Coccoli, who will be trained to deal with transportation issues.

Montana State University Update

Dr. Boyer updated the committee on the USDA budgeting and the employee overtime rules. He is unsure on the impact of the Governor's budget cuts and how they will affect the university. Barry Jacobsen's position will be filled when he retires. He talked about the licensing changes in the transfer office; a recent license was a test of the system.

View from the Trade

EVP Watters let the directors know that Byron Grassman has stepped down as the representative from the trade. It was discussed making that position a one to two year term with maybe a past chair of the Montana Grain Elevators Association taking the position.

North Asian Buyers Conference

Directors Hinebauch and Schock attended the conference in Guam they had breakfast with some of our top buyers and Director Schock presented to the group. It was a great conference and had many good speakers.

Wheat Marketing Center Board Meeting

Directors Myllymaki and Hinebauch went to the meeting in Portland where they met with the FGIS advisory group and asked about the falling numbers differences. The board seems very happy with Janice Cooper at the helm.

U.S. Wheat Associates Fall Board Meeting

Directors Conover, Schock and Kolstad attended the meeting in Denver. It was announced that Vince Peterson will be the next President of U.S. Wheat. Director Schock will be going on the Food Aid trip to Tanzania in March, Director Kolstad attended the PGI Board Meeting where it was announced that Dave Green will take

over for Ben Hancock when he retires next year. Between the three of them they covered most of the committee meetings.

U.S. Wheat Crop Tour

Director Kolstad and Cassidy Marn presented on the tour to over 500 millers and grain traders. They visited many Asian countries and talked to most of our buyers from those countries.

Mexican Craft Brewers Convention

Chairman O'Hara attended the convention along with Dave Tweet, who gave a presentation on Montana Barley. They visited a brewery and were impressed with its self-sufficient manufacturing capabilities. The convention itself was huge and would have taken days to see it all. They made contact with some of the participants who came to Montana with the summer trade team, it was a worthwhile trip.

Celebrate Ag Weekend

Chairman O'Hara and EVP Watters attended the Experiment Stations planning summit then went to the appreciation banquet that evening; there were at least 500 participants. They were also invited to the new malt lab and given a tour.

Sustainable Ag Conference

Directors Mattelin and Myllymaki went to Atlanta to attend the conference and the Field to Market meeting afterwards. There were at least 600 participants from big companies to small farms. Director Mattelin attended the Field to Market which has 117 members including a lot of younger people; he is on the Metrics Committee.

ALIM

Director Schock attended the conference in Porto Rico; it was hosted by Ardent Mills. He met up with contacts he has made at past conferences; it is a good networking conference.

Malthouse Tour

Director Mattelin and EVP Watters took Jamie Sherman and her lab manager Hannah Estabrooks to visit Rahr, MillerCoors, Malteurop and Briess. It was great timing Jamie and Hannah asked lots of questions and got lots of feedback and offers to share research.

Northern Crops Institute Board Meeting

Director Hinebauch attended the meeting in Brookings, SD; they toured a fish food research facility. There were lots of speakers; Montana will host a meeting in 2017.

Executive Vice President's Update

Collin Watters attended the Montana Farmers Union Convention, there was a good turnout. The new attorney, Zach Coccoli was introduced to the committee.

Outreach Coordinator Report

Steve Becker gave an overview of the committee to Leadership Great Falls at their Ag day. He attended some of the Montana Grain Growers listening sessions, most of the questions dealt with seed purchases. The question was asked if the committee should hold some session of our own.

Program Manager Report

Cassidy Marn updated the directors on the trade teams we hosted this season.

Approval of Staff and Director Travel

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

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

Upcoming Events

Nov. 29-Dec. 1	Montana Grain Growers Convention – Great Falls
Dec. 6-7	Montana Seed Association - Bozeman
Dec. 6-9	Producer Tour – Portland, OR
Dec. 26	Christmas – Office Closed
Jan. 1	New Year’s Day – Office Closed
Jan. 3-5	MSU Pest School – Bozeman
Jan. 5	Wyoming Grain Growers -
Jan. 9-19	USWA Asia UES Meetings - Myanmar
Jan. 10	MT/WY Barley/Sugar Beet Symposium – Billings
Jan. 10	Communicators Meeting – Scottsdale, AZ
Jan. 12	Wheat Foods Council Meeting – Scottsdale, AZ
Jan. 12-13	Barley Improvement Conference – San Diego, CA
Jan. 16	MLK Day – Office Closed
Jan. 18-21	Young Ag Couples Conference - Helena
Jan. 19-21	MAGIE – Great Falls
Jan. 25-27	PNW Wheat Quality Council Meeting – San Antonio, TX
Jan. 25-27	MABA/MGEA Convention – Great Falls
Jan. 30-31	National Barley Growers Board Meeting – Washington DC
Jan. 30-Feb. 2	USWA Winter Board Meeting – Washington DC
Feb, 12-19	USWA South Asia Board Trip
Feb. 13-15	USGC Board Meeting – Panama City, Panama
Feb. 20	Presidents’ Day – Office Closed
Feb. 21	PGI Board Meeting – Kansas City, MO
Feb. 21-23	Wheat Quality Council Board Meeting – Kansas City, MO
Mar. 3-12	USWA Food Aid Trip - Tanzania
Mar. 4-8	National Barley Improvement Committee – Washington DC
Mar. 22-24	9 th World Barley, Malt & Beer Conference – Vienna, Austria
Apr. 2-6	US Grains Council World Staff Conference – Dublin, Ireland
Apr. 19-20	State Executive Meeting – Denver, CO
May 20-?	USWA World Staff Meeting - Colorado
May 29	Memorial Day – Office Closed
Jun. 19-21	National Barley Growers – Minneapolis, MN

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Jun. 25-28	Canadian Barley Symposium – Winnipeg, Manitoba
Jul. 4	Independence Day – Office Closed
Jul. 7-12	USWA Summer Board Meeting – Annapolis, MD
Jul. 31-Aug. 2	USGC Summer Board Meeting – Vancouver, WA

- Proposed trips: **January – Constellation Visit - Mexico**
March or April – HRW Breeder Trip - Japan

Lunch

ARC Request

ARC requested an additional \$36,000 from the committee for this year.

Director Kolstad moved to decline the request, and Director Mattelin seconded.
The motion passed unanimously.

Budgeting

Greg Stordahl presented to the committee his needs for the State Grain Lab. Walt Anseth presented for Ag Stats.

The committee began discussions about applications.

Chairman O'Hara called for public comment and heard none. He adjourned the meeting at 6:00 p.m.

Tuesday, November 29, 2016

Chairman O'Hara called the meeting to order at 8:10 a.m. He called for public comment and heard none.

Transportation Discussion

EVP Watters asked the directors what issues they wanted to address with transportation. Poor service, trucking, published rail rates and issues in front of the STB.

Before awarding any funds to ARC the committee would like a few questions answered and then only award for membership the amount of \$5000.

Budgeting

The committee continued discussion of applications.

Final Budgeting Numbers (See Attached)

Administration	\$ 829,705
Marketing	\$1,179,093
Education	\$ 271,905
Transportation	\$ 86,400
Research	\$2,185,154

Director Schock moved that the budget total of \$4,552,257 be approved, Director Hinebauch seconded. The motion passed unanimously.

Director Kolstad moved to extend the existing contract for an attorney at the Department of Agriculture to work on transportation, Director Mattelin seconded. The motion passed unanimously.

New Business

The next meeting will be in Bozeman on March 13 & 14, 2017.

Chairman O'Hara called for public comment:

Barry Jacobsen thanked Collin and staff.

Chairman O'Hara adjourned the meeting at 3:25 p.m.

Collin Watters, Executive Vice President

Date

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MONTANA WHEAT & BARLEY COMMITTEE - CALENDAR YEAR 2017 BUDGET		
RESEARCH		48% 2,185,154
MONTANA STATE UNIVERSITY		
INTEGRATED PEST MANAGEMENT OF WHEAT STEM SAWFLY	WEAVER	\$278,000
ASSESSING AGRONOMIC PRACTICES TO ADVANCE CEREAL PRODUCTION IN MONTANA	MAES	\$210,000
SPRING WHEAT BREEDING AND GENETICS	TALBERT	\$120,000
WINTER WHEAT BREEDING AND GENETICS	BRUCKNER	\$120,000
BUILDING GENOMICS FOUNDATION TO ACCELERATE MT WHEAT/BARLEY IMPROVEMENT	BUDAK	\$120,000
IDENTIFYING & DEVELOPING IMPROVED BARLEY VARIETIES FOR MONTANA	SHERMAN	\$104,267
ORANGE WHEAT BLOSSOM MIDGE MANAGEMENT	STOUGAARD	\$100,000
BARLEY QUALITY LAB-EMPOWERING QUALITY IMPROVEMENT THROUGH SCREENING/GENETIC DISSECTION	SHERMAN	\$99,720
EVAL. OF EFFECTIVENESS OF ENTOMOPATHOGENS FOR MGMT OF WIREWORMS ON SPRING WHEAT	REDDY	\$90,000
MOLECULAR BREEDING PIPELINE FOR WHEAT	COOK	\$60,000
DURUM VARIETAL IMPROVEMENT & QUALITY TESTING	GIROUX	\$58,095
ASSESSMENT/MGMT OF PREHARVEST SPROUT & FALLING NUMBERS IN MT WHEAT	STOUGAARD	\$54,000
ADVANCE DISEASE RESISTANCE IN MONTANA'S WHEAT	DYER	\$52,998
SCREENING FOR LOW-PHOSPHATE TOLERANCE IN SPRING WHEAT CULTIVARS ADAPTED TO MT ECOSYSTEMS	ONDOUA	\$49,407
IMPROVED QUALITY OF MONTANA HARD RED AND HARD WHITE WHEATS	NASH	\$45,750
SURVEY/MECHANISMS: MGMT OF NEWLY-EVOLVED GLYPHOSATE RESISTANT WEEDS IN MT CEREAL PRODUCTION FIELDS	JHA	\$45,540
CHARACTERIZATION /MGMT OF HERBICIDE-RESISTANT GRASSY WEEDS IN MT	JHA	\$45,540
BUILDING KNOWLEDGE ON SPRING WHEAT PLASTICITY	TORRION	\$39,837
IMPROVING YIELD-QUALITY OF SPRING WHEAT & DURUM BY CROPPING SYSTEMS/MGMT. STRATEGIES	CHEN	\$39,676
WHEAT STREAK MOSIAC VIRUS VARIETY TRIALS AND SEED TRANSMISSION	BURROWS	\$38,638
A NOVEL APPROACH TO BARLEY & WHEAT DROUGHT RESISTANCE	FISCHER	\$36,690
CREATION & YIELD TESTING OF NEW SEMI-DWARFING ALLELES	GIROUX	\$36,000
NON-HERBICIDE TECHNIQUES FOR CONTROLLING MULTIPLE HERBICIDE-RESISTANT (MHR) WILD OATS	W. DYER	\$28,840
EFFECT OF SOIL WATER STORAGE/EVAPOTRANSPIRATION ON TOTAL GRAIN/PROTEIN YIELD ON CROPPING SYSTEM SEQUENCES	ONDOUA	\$23,000
OPTICAL-SENSOR TECHNOLOGIES FOR PRECISION WEED CONTROL IN MT CEREAL PROD./HYPER SPECTRAL IMAGING	JHA	\$20,400
FREQUENT, HIGH RESOLUTION OBSERVATIONS OF CROP DEVELOPMENT TO IMPROVE PREDICTIONS OF YIELD/PROTEIN CONTENT	POWELL	\$19,866
HIGH-THOROUGHPUT MALT QUALITY EQUIPMENT	SHERMAN	\$15,000
SOIL CARBON ACCRUAL IN PROGRESSIVE MT CROP ROTATIONS	MILLER	\$14,983
USING WARM-SEASON CROPS TO ENHANCE WHEAT-BASED CROPPING SYSTEM RESILIENCE - YR 2	CARR	\$14,846
COMBINING MEASUREMENTS/MODELS TO BETTER UNDERSTAND SUMMER CLIMATE IN MT'S WHEAT GROWING REGIONS	STOY	\$14,000
EFFECT OF PLANTING DATE & MATURITY ON DISEASE INCIDENCE AND SEVERITY OF DURUM	CRUTCHER	\$13,220
EQUIPMENT: STRIPPER HEADER	CARR	\$9,350
REPRINT OF PRODUCTION GUIDES FOR WHEAT AND BARLEY	MCVAY	\$8,800
CAN MYCORRHIZAL ASSOCIATIONS HELP PREPARE NEIGHBORS FOR ATTACK VIA UNDERGROUND SIGNALS?	TROWBRIDGE	\$8,206
REPRINTING OF THE WHEAT DISEASE ID GUIDE - 2016	BURROWS	\$6,000
MSU "CELEBRATE AG" 2017 AG APPRECIATION WEEKEND	FRASER	\$4,000
CONTINUING AS AN UNDERWRITER FOR "MONTANA AG LIVE"	DECKER	\$3,500
USDA AGRICULTURAL RESEARCH SERVICE		
CHARACTERIZATION OF SPOT FORM NET BLOTCH ON BARLEY IN E. MT/LAB TECHNICIAN	FRIESEN	\$40,703
ENDOPHYTIC BEAUVERIA FOR WHEAT STEM SAWFLY CONTROL PHASE 2	JARONSKI	\$58,335
NORTH DAKOTA STATE UNIVERSITY RESEARCH		
PHYSIOLOGY, NITROGEN USE EFFICIENCY, PERFORMANCE & ECONOMICS OF HRS IN RESPONSE TO SULFUR & NITROGEN	G. PRADHAN	\$37,297
WBC UNANTICIPATED SPECIAL PROJECT FUNDING - RESEARCH		
		\$650
MARKET DEVELOPMENT		26% 1,179,093
U.S. WHEAT ASSOCIATES		
BOARD MEMBER ASSESSMENT		656,200
SPECIAL PROJECTS, TECHNICAL MEETINGS & TRADE TEAM ACTIVITIES		50,000
U.S. GRAINS COUNCIL		
BOARD MEMBER ASSESSMENT		80,000
SPECIAL PROJECTS & TRADE TEAM ACTIVITIES		26,000
WHEAT FOODS COUNCIL		
BOARD MEMBER ASSESSMENT		79,627
NORTHERN CROPS INSTITUTE		
GENERAL OPERATING SUPPORT		30,000
NATIONAL PASTA ASSOCIATION		
BOARD MEMBER ASSESSMENT (ON-LINE APPLICATION)		3,000
2017 PASTA FITS CAMPAIGN		4,000
NORTH DAKOTA STATE UNIVERSITY		
2017 HARD RED SPRING AND DURUM QUALITY SURVEY & COLLECTION EXPENSES		22,500
2017 MONTANA BARLEY CROP QUALITY SURVEY AND REPORT		12,000
WHEAT MARKETING CENTER		
IMPROVING THE COMPETITIVE EDGE OF MONTANA WHEAT/GENERAL SUPPORT		80,000
MONTANA WHEAT EXPORT TOUR & WHEAT QUALITY WORKSHOPS		26,000
CONNECTING WHEAT PROFESSIONALS		10,000

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MARKET DEVELOPMENT - Continued			
MONTANA DEPARTMENT OF AGRICULTURE - STATE GRAIN LAB			
GRAIN INSPECTION AND ANALYSIS EQUIPMENT			40,000
WHEAT QUALITY COUNCIL			
WHEAT QUALITY ENHANCEMENT AND COMPARISON			4,000
PLAINS GRAINS INC			
2017 HRW WHEAT QUALITY SURVEY			11,766
PERSONAL CONTRACT/BARLEY CONSULTANT-EXPERT			
DAVE TWEET/TWEET CONSULTING, LLC			24,000
WBC UNANTICIPATED SPECIAL PROJECT FUNDING - MARKETING			
		6%	271,905
EDUCATION AND INFORMATION			
MONTANA GRAIN GROWERS ASSOCIATION			
ENERGY, ENVIRONMENT & CONSERVATION ACTIVITIES			36,750
WHEAT INNOVATION			36,750
PUBLIC PROMOTION & COLLABORATION			36,750
COMPETITIVE TRANSPORTATION & TRADE			36,750
MONTANA GRAIN GROWERS ASSOCIATION			
ENHANCING THE PROFITABILITY OF THE BARLEY INDUSTRY			27,405
MONTANA FUTURE FARMERS OF AMERICA FOUNDATION			
GENERAL SUPPORT			10,000
MONTANA DEPARTMENT OF AGRICULTURE			
YOUNG AG COUPLES CONFERENCE			7,000
AGRICULTURAL STATISTICS			25,000
MONTANA FARM BUREAU FEDERATION			
YOUNG AG LEADERSHIP CONFERENCE			8,000
MSU EXTENSION			
"REAL MONTANA" - RESOURCE EDUCATION & AG LEADERSHIP			10,000
MONTANA WHEAT & BARLEY COMMITTEE			
MEDIA OUTREACH THROUGHOUT MONTANA			17,500
WBC UNANTICIPATED SPECIAL PROJECT FUNDING - EDUCATION			
		2%	86,400
TRANSPORTATION			
EXPERT RAIL REPRESENTATION			
CALENDAR YEAR 2017 ALLIANCE FOR RAIL COMPETITION (ARC) MEMBERSHIP			5,000
NORTH DAKOTA STATE UNIVERSITY/UPPER GREAT PLAINS TRANSPORTATION INSTITUTE			
MONTANA WHEAT & BARLEY TRANSPORTATION ANALYSIS: PILOT PHASE			21,400
WBC UNANTICIPATED SPECIAL PROJECT FUNDING - TRANSPORTATION			
			60,000
OPERATIONS			
		18%	829,705
EMPLOYEE SALARIES AND BENEFITS			394,250
CENTRALIZED SERVICES			135,455
TRAVEL			110,000
MISCELLANEOUS EXPENSES			45,000
RENT			35,000
SUPPLIES AND MATERIALS			30,000
MISCELLANEOUS CONTRACTED SERVICES			25,000
COMMITTEE PER DIEM			15,000
COMMUNICATIONS			10,000
REPAIR AND MAINTENANCE			10,000
MWBC SPONSORSHIPS FOR CALENDAR YEAR 2017			20,000
TOTAL CALENDAR YEAR 2017 BUDGET			\$4,552,257
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