



*The education and research bridge connecting growers and customers*

**Wheat Marketing Center, Inc. Board Meeting  
October 25 & 26, 2023  
Minutes**

**Meeting Participants:**

**Wheat Marketing Center Board:**

Bill Flory, Past Chair  
Darren Padget, Chair  
Ron Williams, Vice Chair  
Steve Beedy, Secretary  
John Akre, Treasurer  
Brit Ausman  
Augusto Bassanini  
Charlie Bumgarner  
Mary Eisenzimmer  
Wayne Hurst  
Scott Huso  
Reuben McLean  
Tom Zelenka  
Warren Banks (Ex-officio)  
Staci Simonich (Ex-officio)

**Wheat Marketing Center Staff:**

Mike Moran, Executive Director  
Brent Haugen, Office Administrator  
Bon Lee, Operations Manager  
Liman Liu, Asst Operations Manager  
Andrew Mense, Food Scientist  
Autumn Sicard, Laboratory Technician  
Andrew Choi, Laboratory Assistant

**Guests**

Madison Andersen, Colorado Wheat  
Kayla Banda, Small Business Dev. Center  
Amanda Hoey, Oregon Wheat Commission  
Luke Muller, USW  
Russ Ries, Jarrard, Seibert, Pollard & Co.  
Steve Wirsching, USW

**Call to Order**

Chairperson Darren Padget called the meeting to order at 12:54 p.m. Padget welcomed all members, staff, and guests to the meeting and invited attendees to introduce themselves.

**Approval of Agenda and Minutes**

Chairperson Padget asked for the board to review the agenda and March minutes. With no changes or edits from the floor, Padget asked for a motion to approve both. **Tom Zelenka moved to accept the agenda and minutes as presented. Scott Huso seconded the motion, and the motion passed unanimously.**

## **Conflict of Interest Policy**

Wheat Marketing Center (WMC) Executive Director Mike Moran explained the conflict-of-interest policy, supplied examples, and its overall importance. He recommended for board members who have not filled it out at the earlier meeting to review and fill it out if any to disclose any potential conflicts. Completed forms can be given to Moran or Office Administrator Brent Haugen.

## **Director Reports**

Chair Padgett had each director provide an update and report from their respective areas. Highlights from the reports and ensuing discussion included:

- Concerns over current wheat pricing and competitiveness on the global front
  - Ron Williams and Augusto Bassanini reported that exports are down 17%, the lowest they have seen in quite some time. They cited issues and challenges of the export market, lower prices on Canadian, Australian, and Russian wheat, railroad transportation issues, the strong US dollar and global inflationary issues.
- Grower board members reported that overall protein was up, and quality was variable but good depending on class and region.
- Weather conditions were better this year over last growing season. Better precipitation in most regions.
  - Drought conditions have eased in the southern plains which resulted in better acreage results this year.
  - The northern region including the PNW saw less precipitation which resulted in a slightly below average yield with higher average proteins.

## **Committee Reports**

### ***Marketing & Promotions Committee***

Executive Director Moran provided an update on WMC's participation in the Portland State University's (PSU) Capstone Project through the business school. The project had a group of business students evaluate and propose strategies for better utilizing WMC's website and social media to gain better awareness among target audiences. While the results were less than expected, WMC will continue to look at ways to use the Capstone program for more targeted projects in the future.

Committee Chair Warren Banks provided more updates to the board on committee activity including the color and style guide, website home page banner system, a future website RFP, the new website & social media report, and updates to the hallway displays. Discussion regarding board feedback on the audience and direction for the hallway displays followed. Committee member Randy Olstad and Executive Director Moran provided additional insight on the potential direction to tell the visual story of wheat from farm to customer and how WMC impacts the supply chain through a wall wrap. The next steps are to engage a graphic artist to create a visual depiction of the concept and present to both the committee as well as the full board.

The committee report concluded with a potential future rebranding discussion, and how the name and logo work to communicate the mission and capabilities of WMC.

### ***Finance & Audit Committee***

Finance & Audit Committee Chair John Akre reported another clean audit this year. He commended Office Administrator Brent Haugen, Accountant Lisa Eads, and Executive Director Mike Moran for their work following proper accounting standards and the organization of the audit data and information.

Russ Ries of Jarrard, Seibert, Pollard & Co. presented the audit report. He echoed the sentiments of Committee Chair Akre on the great work by WMC in organizing and following the accounting standards. Ries noted one major change in reporting to include the lease amortization schedule in the audit report. This change was made to comply with recent changes in the tax code. In comparison from 2022, the change is reflected under Liabilities and Net Assets with a new line titled Operating lease liability. The number reflected in this line item is the remaining terms of the current lease with a 10-year extension and a 3.35% discount over the 17.5 years. He explained how this new reporting standard impacted the overall financial statements and that it does not reflect a material change to the financial situation of the organization. Other highlights by Ries were the increase in interest income on page 5 and the certificate of deposit amount redeemed on page 6 of the audit report. There were no questions from the floor.

### ***Governance Committee***

The Governance Committee met on September 20, 2023, to discuss the current structure of the board officers, Bill Flory's term end, and next steps to present to the board. In following the bylaws, Governance Chair Brit Ausman proposed the following recommendation to the board.

- Darren Padget assumes the role of chairperson and Ron Williams assumes the role of vice chair. The governance committee will present a slate of nominations at the annual committee in March in preparation for Padget's departure from the Oregon Wheat Commission in June. This scenario allows for continuity and a succession plan. **Scott Huso moved to accept the recommendation as presented by Ausman. Wayne Hurst seconded the motion, and the motion passed unanimously.**

Ron Williams added that the Governance Committee will work on better board succession planning prior to the next board meeting.

### ***Executive Session***

There were no topics for the Executive Committee to meet.

**Day 1 adjourned at 3:04 p.m.**

**DAY 2:**

Chairperson Darren Padget reconvened the meeting at 8:27am.

## Staff Reports

**Technical Director Dr. Jayne Bock** presented highlights from her written report found in the board books. Bock guided the board through a list of both current and completed proprietary and public projects in the newly formatted report. She emphasized that with the return of many research and development personnel to in person work at companies and the current economic uncertainty, there is a downturn in special projects for WMC. Bock explained this is a typical trend across the industry. The Oregon State University Food Innovation Center across the street reports that they are experiencing the same pattern. Dr. Bock reported lab services was going steady and highlighted some updated revenue numbers than what were presented in her report. Commissioners asked about the balance of proprietary and public projects. WMC's focus is currently on public projects, due to the structure of the nonprofit. For lab services, generally the proprietary work is domestic. For public projects, the work is generally focused on international markets. Bock stated the goal of expanding international proprietary work in support of the export market.

Dr. Bock overviewed USW workshops both at WMC and abroad. She described WMC's participation in the in-person North Asia and South American Crop Quality Seminars hosted by USW. In addition, Bock reported private companies who visited the WMC through USW expressed interest in custom training and she will continue her outreach to them.

Bock concluded her report by highlighting published and upcoming published works; especially Predicting Japanese Sponge Cake Quality using Rapid Visco Analyzer Flour Pasting Properties. This published work will most likely be reviewed and accepted within the next six months.

**Executive Director Mike Moran** highlighted areas from his written report to the board.

Fiscal year 2022/23 closed close to budget on both revenue and expenses. WMC experienced another "clean audit" by the firm of Jarrard, Seibert, Pollard & Company as stated by Russ Ries, CPA during the Finance Committee report. Another change noted by Moran was the dollar amount threshold change from \$500 to \$2500 for depreciated equipment purchases. He highlighted the meeting with Oregon Senator Merkley staff and their interest in potentially funding new equipment. Based on this he anticipates further conversations regarding legislative funding for equipment by working with the other commissions.

Moran explained it has been busy not only with crop quality, but with visiting domestic and international companies, especially from Asia. He emphasized the importance of these visits and discussions regarding this year's crop and the visiting scholar program. Japanese and Chinese companies have expressed interest in the program because of these visits and discussions. He emphasized the importance of the ongoing relationship with Dave Stone and Foreign Agricultural Services (FAS) to bring more international groups through the Cochran Fellowship program to WMC in the future.

Moran reiterated the impact retiring Operations Manager Bon Lee has made over the 25 years of service at WMC. He also announced Liman Liu's role change to Operations Manager and Andrew Choi's transition from seasonal laboratory assistant to full time permanent employment as Laboratory Technician effective November 1, 2023.

### ***WMC Title Holding Company Report***

Tom Zelenka, Chairperson of the WMC Title Holding Company board gave a brief overview and history of Title Holding and the partnership of the Naito Corporation with Wheat Marketing Center. He explained the initial proposed sale of the building due to changes in the Naito family company, the impact of COVID on that proposal, and the shift to sell the building in the next 3-5 years due to the current market trends.

Both he and Moran provided additional updates on the Albers Mill Building:

- Refinancing of the building was an undertaking and beneficial for the future sale of the building.
- Tenant interest continues, due to companies wanting to move out of the downtown core and looking to downsize to smaller footprints.
- HVAC Project is almost complete.
- Other tenant improvements such as technology in the conference room are being discussed at partner meetings.

Zelenka concluded his report in stating the building is still for sale, but not being actively marketed. This will change when the market improves.

### ***WMC Laboratory Services Report***

Moran provided information and updates on WMC Laboratory Services. He began with the changes in the board. These include the transition from Dave Stone to Marsha Walker, the new Director at OSU's Food Innovation Center (FIC) who recently took over Stone's position at FIC. The board is looking to recruit and replace the vacancies for outgoing Chair Philip Volk and ex-officio Mark Hodges, but plan to be thoughtful about those appointments.

Moran continued to report both proprietary and public projects helped balance the organization out during COVID. These projects helped expand the reach and reputation of WMC during that time, but the current focus will be on public projects. Moran highlighted the July 1, 2023, lab services fee structure change has had no adverse reactions from customers. He also explained that although the number of customer requests have reduced, the revenue per project has almost doubled since the increase.

### ***Strategic Overview Discussion***

The three main areas of discussion were on education, engagement, and technology. In the area of education and engagement, the recommendation to WMC included continuance of developing educational models for growers and the wheat industry at beginner, intermediate, and advanced levels. In addition, engage state wheat commissions to partner on delivering

wheat quality education to wheat breeders, seed companies, and other influencers. Concluding this session with state wheat commission engagement on connecting WMC with state legislators to help be a potential new funding source for equipment replacement and improved technology for the center.

**Next Meeting**

The tentative dates for the next meeting will be held two half days on March 27 & 28, 2024. Moran and Haugen will check with commissions and review industry calendars for any major conflicts before confirming these dates.

**Adjournment**

Darren Padget adjourned the meeting at 10:56 p.m.

Respectfully submitted,

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Steve Beedy, Secretary

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Date