



The education and research bridge connecting growers and customers.

Wheat Marketing Center, Inc. Board Meeting - DRAFT

March 28 & 29, 2024

Minutes

Meeting Participants:

Wheat Marketing Center Board:

Darren Padget, Chairperson
Ron Williams, Vice Chairperson
Steve Beedy, Secretary
John Akre, Treasurer
Charlie Bumgarner
Mary Eisenzimmer
Wayne Hurst
Scott Huso
Reuben McLean
Randy Olstad
Michael Peters
Tom Zelenka
Mike Carstensen (Alternate for WA)
Brian Liedl (Alternate for WA)
Warren Banks (Ex-officio)
Staci Simonich (Ex-officio)

Wheat Marketing Center Staff:

Mike Moran, Executive Director
Brent Haugen, Office Administrator
Jayne Bock, Technical Director
Andrew Mense, Food Scientist
Liman Liu, Operations Manager
Autumn Sicard, Laboratory Technician

Guests

Marc Fazio, Bill Naito Corporation
Marcia Walker, Food Innovation Center

Call to Order

Chairperson Darren Padget called the meeting to order at 12:40 p.m. Padget welcomed all directors, members, staff, and guests to the meeting.

Agenda

Chairperson Padget asked for any changes or additions to the agenda. **Michael Peters moved to accept the agenda as presented. Scott Huso seconded the motion, and the motion passed unanimously.**

Conflict of Interest Policy

Executive Director Mike Moran explained the conflict-of-interest policy, provided examples, and encouraged those board members with any potential conflicts to fill out and submit completed forms to him or Office Administrator Brent Haugen.

Director Reports

Chairperson Padget provided an opportunity for each director to provide updates on their respective part of the wheat industry, area, and state.

Highlights from the reports and ensuing discussion included:

- Growing conditions have generally been good overall, despite wide variations in weather patterns. There's been lots of activity and moisture in most wheat-growing regions.
- Wheat acres have remained steady or are slightly down from last year.
 - ND: durum acres are up, hard red winter acres are down
 - KS: smallest wheat crop in years
- North Dakota Wheat Commission representative Scott Huso reported that the organization published their first wheat quality brochure (copies were distributed to board members). Additional discussion regarding preferred variety lists supported the efforts in North Dakota.
- Concerns over current wheat pricing and competitiveness on the global front:
 - John Akre, Ron Williams, and Brian Liedl cited issues and challenges of the export market, including China's inaccurate forecasting and cancellation of US wheat imports, lower prices on Russian wheat, strong dollar, and global inflationary issues.
 - Port of Portland representative John Akre and ex-officio Warren Banks reported on the impact of the east coast container accident on the industry. Akre added that Portland may lose its container business due to it being a loss leader and the need to find supplemental funding to support it.
- Oregon State University ex-officio Staci Simonich introduced Marcia Walker, the new Director of the Food Innovation Center, to the board. Simonich also reported that additional funding for the university has translated into 32 new research positions (including at the Food Innovation Center) for the agricultural department.

WMC Title Holding Company Annual Meeting

Tom Zelenka, Chairperson of the WMC Title Holding Company board, called the Title Holding Company Annual Meeting to order at 2:15 p.m. Zelenka and Bill Naito Corporation representative Marc Fazio provided the status of the Albers Mill Building (AMB) and information regarding commercial occupancy. Zelenka pointed out that timing has played a significant factor in the sale and financial security of the building. It was agreed upon by both partners to actively sell the building when the market rebounds. Zelenka also highlighted that the timing on refinancing the building has provided long-term stability and security against foreclosure.

Fazio explained that historically, occupancy in the AMB has maintained around 90%. Currently, occupancy remains around 60%. Zelenka highlighted two recent articles in the Portland Business Journal referencing the national commercial vacancy rate average for major US cities at 25%, with downtown Portland slightly higher at 30%. Fazio explained that high Portland taxes, the

shift to remote work, and consolidation during and post-pandemic are the major reasons for these percentages and the current building occupancy.

Executive Director Moran commented on the higher interest in the building over the past six months. He also highlighted the benefits of the location and amenities of the building to prospective tenants.

Moran and Food Innovation Center Director Marcia Walker echoed the positive trend in the neighborhood related to the decline of crime and homeless presence. Walker highlighted the Good Neighbor Policy initiative with the Navigation Center and better engagement by the city as reasons for the change. Both Walker and Executive Director Moran commented on closer partnerships each entity had with the new organization and the responsive team operating it.

Elections

Chairperson Tom Zelenka presented the current board slate. He noted that even with Darren Padget's term as Oregon Wheat Commission representative ending in June 2024, Padget has agreed to stay on. With this being stated, Zelenka asked for a motion to approve the slate.

Warren Banks made a motion to approve the slate as presented. The motion was seconded by Tom Zelenka, and the motion passed unanimously.

Adjournment

Chairperson Tom Zelenka adjourned the annual meeting for Title Holding Company at 2:45 p.m.

WMC Laboratory Services Annual Meeting

Due to a lack of a quorum, the WMC Laboratory Services Annual Meeting was discussion only. No actions were taken regarding the election of officers.

The activities related to lab services will be covered under the Technical Director's staff report.

Partner Report: Oregon State University Food Innovation Center (FIC)

Marcia Walker, Executive Director for FIC, introduced herself and provided her career background prior to her arrival as the new director in 2023. Walker provided details on the vacancy at FIC and the continued initiative to support the growth of entrepreneurs through existing programming, providing incubator space, and partnership opportunities at industry food shows. She continued discussing her goals in strengthening the partnership with Wheat Marketing Center. Her role on the WMC Laboratory Services Board and the upcoming co-located Baking Science Course were just two of many examples in her plans.

Executive Session

Chairperson Darren Padget called for an executive session to discuss building matters and WMC funding. Those not on the board were asked to be excused.

Day Two

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. 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 proprietary projects for WMC, but an uptick in public projects. This is due to wheat commission research and projects related to U.S. Wheat Associates (USW). The goal related to projects is to provide a better balance of public projects, eliminate one-off proprietary projects, and focus on work related to export market potential. Dr. Bock reported revenue numbers that were higher than what were presented in her report for proprietary and public projects, lab services, and TCK testing.

Dr. Bock reported on the success of the recent Pacific Northwest Grain & Feed Association workshops and touched on the upcoming and developing USW course schedule. She and Executive Director Moran described WMC's participation in the in-person North Asia and South American Crop Quality Seminars hosted by USW as being valuable regarding US-grown wheat and WMC.

Bock concluded her report by highlighting the development of a Flour Quality Short Course based on a book published by WMC in 2004. The format is being developed as an online and on-demand option for professionals. This is timely as WMC is prepared to begin work on the development of a new website in 2024 to include functionality for on-demand courses.

Executive Director Mike Moran highlighted areas from his written report to the board. These included:

Staffing

Moran discussed the staff structure, bandwidth, and the potential addition of more staff in the new year, stating that the organization is not adequately staffed to take on more work and projects. Restructuring of the fee structure for Laboratory Services is one component that will enable staff expansion and the ability to provide revenue-generating educational offerings. The goal is to move from maintaining current workloads to expanding education and research opportunities.

Equipment

Moran discussed the future replacement needs and costs of the Farinograph and SRC shaker. Both are likely to appear in the 2023/24 budget. Chairperson Flory used the example of the cookie & cracker line special request in the past and how instrumental commissions have been in funding the equipment at WMC.

Moran provided information on the estimated cost to replace the Farinograph at about \$80,000. He indicated Technical Director Bock will work with the manufacturer on pricing if the funding is realized. On the SRC shaker, Moran stated Roy Chung has produced a model that has gained wide acceptance in SE Asia and Taiwan. WMC is considering purchasing one in the future. In the meantime, WMC will provide Chung with the right contacts to guide him on the path for AACC certification for the new instrument if desired.

Programs & Project Delivery

Mike Moran reported that five grower tours in the last six months have been very successful with positive feedback from participating commissions. He added that WMC is preparing for two different technical teams from Korea for two different USW short courses in May and June this year. Another is in discussion with South Africa prior to Crop Quality (CQ).

Stakeholder Education & Outreach

Moran provided an overview of his experience and interaction at the Bakery Fair 2023 in Manila, Philippines. He reported his presentation went very well, and he had an opportunity to meet and interact with many professionals and companies while there. Moran stated there is an ongoing need for continuing education, presenting an opportunity for WMC.

Committee Reports

Marketing & Promotions Committee

Warren Banks, Marketing & Promotions Committee Chair, reported on the recent committee activities and discussions. These include an update on the hallway display project, current website updates, and the new WMC website. Banks provided some history and next steps to the board regarding the hallway display project. He directed the board's attention to the informational mockup found in the board book. He, Executive Director Moran, and Office Administrator Haugen guided the board through the committee and staff process, finalizing the information, and then handing it off to the graphic designer to create a series of infographics to "tell the story" from farm to consumer and WMC's role throughout the wheat chain. Once an initial design is completed, the committee and board will review before the final sign-off. Banks reported on the new home page banners (examples found in board book) and the committee's meeting with Jason Spangler from the TAPP Network on the proposed new website for WMC.

In addition to the current and upcoming projects, Banks and Office Administrator Haugen provided insights on the website and social media activities. Banks referenced the Website and Social Media Report found in the board books.

Warren Banks concluded his report by thanking the committee and staff for their participation and efforts.

Governance Committee

Governance Committee Chair Brit Ausman was unable to attend the board meeting, so Executive Director Mike Moran reported on behalf of the Governance Committee. The Governance Committee focused their attention on identifying current and future vacancies on the board. They deemed it important to discuss terms and board succession plans, especially for officers.

Moran encouraged commissions to provide alternates on the board. He also posed the question of establishing term limits to the board. There was a discussion regarding this topic, and the feedback from the board was supportive but cautious, as Director Bumgarner shared a concern about terming out good and qualified individuals on the board. The committee was tasked to discuss and come up with next steps prior to the October board meeting.

Election of Directors & Officers

Chairperson Darren Padget called for a motion to accept the slate of officers as presented. **Charlie Bumgarner made a motion to elect the slate of officers. Michael Peters seconded the motion, and the motion passed unanimously.**

Chairperson Darren Padget also requested a motion to accept the slate of directors as presented. **Scott Huso made a motion to elect the slate of directors. Mary Eisenzimmer seconded the motion, and the motion passed unanimously.**

Current & Future Funding

Executive Director Moran provided a handout reflecting general support funding from commissions over the past five years. These numbers reflect the 5-year average from fiscal year ending June 2019 through June 2023. Moran reported that funding is not equally proportionate across the eight states. He also emphasized that WMC represents all classes of wheat and funding has not changed dramatically over the past 10 years. Moran asked the board to review, reflect, and consider a conversation on how to evolve and change the funding model in the future.

In relation to state funding, the addition of Kansas has been in discussion for quite some time. Executive Director Moran has been in conversation with the leadership at Kansas Wheat. Although their focus is mostly domestic, Moran sees a great opportunity for partnership and collaboration in the areas of research, education, and market development.

Moran concluded this part of the meeting by putting together scenarios for a multi-year funding approach for the board to review, discuss, and provide input before any actions are taken.

Next Meeting

The board discussed potential dates for the fall board meeting. With some meetings not yet known or on the calendar, they decided to host it sometime during the week of October 21st.

Adjournment

Darren Padget adjourned the Wheat Marketing Center Annual Meeting at 10:35 a.m.

Respectfully submitted,

Steve Beedy, Secretary

Date