

**USCP Board of Directors Meeting
Tuesday, August 10, 2010**

Committee members present: Dale Artho, Jeff Casten, Bill Greving, Bill Kubecka, Billy Bob Brown, Earl Roemer, Troy Skarke, Stewart Weaver, Greg Shelor, Louise Rigdon, Jerry Van Zee, James Vorderstrasse

Guests present: Virgil Smail, Tim Lust, Jeff Dahlberg, Florentino Lopez, Sue Ann Claudon, Shelee Padgett, Dusti Fritz, Lindsay Kennedy, Jenna Hightower, Kenneth Payne, Bruce Maunder, Kathy Cornett, Jill Goodrich, Julie Balmer, Wayne Cleveland, Kristen Utterback, Barb Kliment, Sue Schulte, Ken Herz, Lynn Belitz, Linda Brown, Jill Barnhart, Jim Carlton (Nebraska Farmer Magazine), Alvaro Cordero, Gina Tumarello, Marsha Bryant,

Bill Greving called the meeting to order at 8:02 am. Stewart Weaver opened with prayer and introductions were made.

Jeff Casten presented minutes for approval:

March 6, 2010

April 27, 2010 (conference call)

May 24, 2010 (conference call)

Billy Bob Brown made a motion to approve all three sets of minutes. Stewart Weaver seconded the motion. Motion carried.

Bill Greving gave a report on the Joint Management Meeting recently held in Amarillo between the NSP Executive Committee and the USCP Executive Committee. Greving pointed out that any board member with a concern that should go before the joint committee should bring that concern to their organization chair.

Program Updates:

- Tim Lust and Virgil Smail gave an overview of the history of the organization and as well as where we go next.
- Jeff Dahlberg gave a brief presentation on Research.
- Florentino Lopez presented information on Marketing and Promotion.
- Sue Ann Claudon gave an update on DuPont Field Days.
- Shelee Padgett and Dusti Fritz gave an update on activities in the field.
- Lindsay Kennedy and Jenna Hightower gave a Communications update.

Comments from the Certified State Organizations:

Kansas – Sue Schulte
Texas – Wayne Cleveland
Nebraska – Barb Kliment
USGC - Alvaro Cordero, Gina Tumarello

There was some discussion about how the checkoff is working and how the coordination with states is going. Communications is critical. Tim Lust asked that as the board meets with private industry that they discuss research and how we can work together for the good of the industry.

Survey Results – McCormick – Jill Goodrich

Working to get more focused so that random surveys are targeted to specific geography. With the results, we should be able to compare on a state by state basis. Calls for a new survey will be going out next week. The board should not be contacted during this next survey. The calls will begin in the north and move to the south. We have been doing the survey from the beginning to judge awareness and attitudes. If we need additional information, we need to look at the survey tool and how it is being conducted. But this is not the purpose of this survey.

USDA/AMS Update – Kenneth Payne

Commended the board huge strides

Referendum – January to February time frame is great. Have a referendum at year three and again at year seven.

Rule was published on July 16th that set up procedures

Final comments are due by September 14th

Voting period will be for 4 weeks

County FSA office will handle the voting process and count all of the votes. Results are then reported to AMS. AMS will also direct the FSA office on how the referendum is to be handled. AMS communications with state offices and the state offices communicate with the county offices.

Final rule is then published after comment period. The date of the referendum is the established.

When vote is over, there is a two or three week period when things are going on you are just not seeing them. Results come in a couple of weeks are the voting ends.

AMS Guidelines – updated in 2004 and again in 2010. The guidelines lay out what AMS does and give AMS expectations of the board. It was put out after 2010 update for comment by the boards.

Board nominations have been forwarded to the secretary's office. All background completed. Do not know when the process will be complete but the secretary's office is aware of the December board meeting date.

Dale Artho presented the July 2010 financial statements. *Dale Artho made a motion that the financials be approved. Jeff Casten seconded the motion. Motion carried.*

Virgil Smail presented proposed changes to the 2010 budget including increases to staff and committee travel and local advertising. *Dale Artho approved the budget changes. Earl Roemer seconded the motion. Motion carried.*

Dale Artho recommended that Bolinger, Segar, Gilbert and Moss be retained to perform the 2010 audit for a fee not to exceed \$10,000. Billy Bob Brown seconded the motion. Motion carried.

Dale Artho made a motion to set passback to the Qualified State Organizations at a level of 25% for 2011 from the 2010 collections less USDA and Referendum fees. Louise Rigdon seconded the motion. Motion carried.

Each committee chair presented comments from their committee meetings regarding the 2011 budget.

Two research projects were considered at the research meeting for 2010. The first submitted by Gebisa Ejeta of Purdue University for Marker Assisted Introgression of Cold Tolerance QTL into Elite Sorghum Inbred Lines in the amount of \$60,000. The second project is from Iowa State University for Enhancement of the FAPRI-CARD Model Regarding the Use of sorghum in Biofuels in the amount of \$50,000. *Troy Skarke made a motion to approve these projects with a second from Billy bob Brown. Motion carried.*

Troy Skarke made a motion to approve a 2011 budget in the amount of \$5,576,688 with \$5,000,000 projected to come from collections and \$576,688 from carryover. Jerry Van Zee seconded the motion. Motion carried.

James Vorderstrasse expressed concern over the large reduction in the research budget and the great need for continued research for sorghum. *Vorderstrasse made a motion that following the successful passage of the referendum that 75% of the reserved funds for refunds be allocated to research. Louise Rigdon seconded the motion.* Bill Kubecka commented that in our move to look at our business more from to an integrated process that we may be tying our hand to approve this motion. Jeff Casten commented that in

the future we may not have research committee but various project committees. Dale Artho stated that he believes that we should not do this at this time. That as a board we should sit down after the referendum and really think strategically about how the board will function as a mature board. We will have a once in a lifetime opportunity as a board to take the pool of reserved funds and do something really significant for the industry. Vorderstrasse believes that this will just resupply what is being cut and allow projects that are in process to continue. Bill Kubecka commented that he would prefer language to the effect that the board fully recognizes the need for research and fully supports the committee in getting back to where they need to be without specifically tying up an amount. At the December meeting that needs to be discussion about what the post referendum plan will be so that the Board can move quickly following the publication of the referendum results. Casten stated that he was really comfortable with the support of the board without stating specific amounts. ***Billy Bob Brown called for the question. The motion failed with four to approve and eight against.***

James Vorderstrasse made a motion that the board place research as the top priority in evaluating the use of reserve funds after the referendum. Louise Rigdon seconded the motion. Billy bob Brown called for the question. Vote was 11 to approve with 1 abstention.

Billy Bob Brown made a motion to approve the contracts with the US Grains Council for 2011 in the amounts of \$150,000, \$156,000 and \$94,000. Jerry Van Zee seconded the motion. Troy Skarke clarified that these will be 9 month initial contracts that will be extended without a fee after the referendum passes. Motion carried.

Dale Artho explained that due to some medical issues, Troy Skarke asked to step down as the Sorghum Sector Chair for the US Grains Council. At the recent meeting, Bill Kubecka was asked to step up and take over as chair. Long term it should be the goal that the USGC Sorghum Sector Chair be someone from the USCP board or their designee. Policy will need to be established at some point. ***Troy Skarke made a motion that the marketing committee caucus with the sorghum sector members from the US Grains Council to see if policy can be established by the committee to bring back to the board at the December meeting. Jerry Van Zee seconded the motion. Motion carried.***

Bill Greving announced that the Nominating Committee will consist of Louise Rigdon (chair), Greg Shelor, James Vorderstrasse and Jerry VanZee. They will bring nominations to the December meeting for Chair, Vice-Chair, Treasurer, and Secretary.

Tim Lust stated that the USCP Board can comment on the rules for the referendum and asked for guidance from the Board on how staff should handle this. ***Bill Kubecka made***

a motion that staff prepares a response to the posting of the rules in the federal register. The response should be emailed to the board for review and once responses are received, the chair will determine whether a conference call is required. Jeff Casten seconded the motion. Motion carried.

It has been recommended that the December board meeting be held in Manhattan, KS. There was discussion about weather issues in Manhattan that could close routes – would it make more sense to meet somewhere south in December and meet in Manhattan for the meeting that will follow the referendum. *Troy Skarke made a motion that the Board meet in Lubbock, Texas in December and Manhattan, KS in April. Billy Bob Brown seconded the motion. Motion carried.*

Meeting will be held December 13, 14, 15

Tim Lust discussed the odor issue in grading sorghum.

Executive Session.

Dale Artho made a motion to approve the Executive committee's recommendation in regard to compensation. Greg Shelor seconded the motion. Motion carried.

Louise Rigdon made a motion to adjourn. Troy Skarke seconded the motion. Motion carried.