

USCP Board of Directors Meeting
Overton Hotel, Lubbock, Texas
December 11, 2019

Board Members Present: Verity Ulibarri, Jim Massey, Craig Poore, Boyd Funk, Dan Krienke, Kent Martin, Adam Schindler, Charles Ray Huddleston, Clayton Short, Shayne Suppes, Klint Stewart, Jay Haase, Josh Birdwell, Jeff Zortman

Board Members Not Present: Martin Kerschen

Others Present: Tim Lust, Florentino Lopez, Jason Julian, Laura Kelley, Garrett Mink, Vernie Hubert, Tony Watson, Mary Pigg, Cole Rohr, Matthew Winters, Jace Gibbs, David Junker, Arden Aranola, Matt Davis, Kathy Brorman, Dustin Borden, Larry Kendig, John Bergkamp, Mike Brooks, Jon Berning, Justin Weinheimer, Doug Bice, Brent Bean, Sam Barnett, Brent Crafton, Shelee Padgett, Nate Blum, Amanda Flores, John Duff, Larry Lambright, Jennifer Blackburn, Sarah Bowser, Jesse McCurry, Jordan Shearer, Amy France, Adam York, Ryan LeGrand, Reece Cannady, Patrick Dudley, Barry Evans, Joe Rohrbach, Chuck McDonald, AJ Kresta, Glenn Wilde, Jay Wilder, Wayne Cleveland, Morgan Webb, Kevin Pshigoda, James Born, Matt Gruhlkey, Amy Frances, Don Bloss, Larry Dahlsten, Terry Semmel, Patrick Wade, Sam Simmons, Jr., Kevin Kniebel, Stephen Bigge, Dan Atkisson

Chairwomen Verity Ulibarri called the meeting to order. Board introductions were made.

Program updates were presented:

Brent Bean and Justin Weinheimer gave a report of the activities in the crop improvement program area. Discussions centered on new technologies moving forward as well as new areas of focus being developed.

Jennifer Blackburn and Shalin Pinkerton gave a report of the activities in the communications area. An overview of outreach was discussed including the new podcast, Export Sorghum and additional items.

Doug Bice and John Duff gave a report of the activities in the market development program area. Discussions centered on new markets, growing markets and future developments including sustainability.

Brent Crafton, Shelee Padgett and Zach Simon gave a report of the activities in the regional development program.

Sarah Sexton-Bowser gave a report of the activities in the CSIP program. The discussion included information concerning the overview of leveraged resources being created by the program that now total over \$3 million.

Jesse McCurry and Adam York gave a report on behalf of Kansas Grain Sorghum Commission.

Wayne Cleveland gave a report on behalf of Texas Sorghum Commission.

Nate Blum gave a report on behalf of Nebraska Grain Sorghum Board.

Jordan Shearer gave a report on behalf of Oklahoma, Colorado and New Mexico.

Caesar Ramirez gave a report on behalf of West Plains LLC.

Ryan LeGrand and Reece Cannady gave a report on behalf of US Grains Council.

Industry Updates:

Tanner Antonick and Zach Eder gave a report on behalf of Advanta US about new technologies expected to be released in the U.S.

Steve Calhoun, Vice President of Research & Development, gave a report on behalf of S&W Seeds concerning developing technologies related to USCP's investments.

Cleve Franks, Tanveer Hussain and Hillary Sullivan gave a report on behalf of Corteva Agriscience. Update on double haploid technologies and next steps.

Terry Semmel, Breeding and Research Director, gave a report on behalf of Innovative Seed Solutions, LLC. (formerly Monsanto and Remington Seeds)

Brent Boydston gave a report on behalf of Bayer Crop Science.

Leadership Sorghum Class 4 presented their experiences from the program.

Meeting recessed for the day.

USCP Board of Directors Meeting
Lubbock, Texas
December 12, 2019

Board Members Present: Verity Ulibarri, Jim Massey, Craig Poore, Boyd Funk, Dan Krienke, Kent Martin, Adam Schindler, Charles Ray Huddleston, Clayton Short, Shayne Suppes, Klint Stewart, Jay Haase, Josh Birdwell, Jeff Zortman

Board Members Not Present: Martin Kerschen

Others Present: Tim Lust, Florentino Lopez, Jason Julian, Marsha Bryant, Laura Kelley, Garrett Mink, Vernie Hubert, Jesse McCurry, Andy Boyd, Jordan Shearer, Wayne Cleveland, Patrick, Nate Blum, Stephen Bigge, Sarah Sexton-Bowser, Kevin Kneibel, John Duff, Brent Bean, Zach Simon, Doug Bice, Brent Crafton, Sam Barnett, Sherrie Ray, Jennifer Blackburn, Shelee Padgett, Amy Francis

The meeting reconvened.

A review of the minutes from the August 2019 meeting was held.

Klint Stewart made a motion to accept the minutes of the previous meeting with a second by Clayton Short.

Motion carried unanimously.

Chairwomen Verity gave a report of the Executive Committee meeting. Information included a review of the passback meeting and management agreement.

Chairwomen Verity gave a report of the Finance Committee meeting.

A review and discussion of the FYE 2019 Audit was held. David Copeland presented the audit on behalf of Bolinger, Segars, Gilbert & Moss, LLP.

Dan Krienke made a motion to recommend to the full board to approve the FYE 2019 Audit with a second by Shayne Suppes.

Motion carried unanimously.

A review and discussion of the November 2019 Financial Statements was held.

Craig Poore made a motion to recommend to the full board to approve the November 2019 Financial Statements with a second by Kent Martin.

Motion carried unanimously.

A review and discussion of the Credit Card Authorization and the proposed changes to the amounts and names attached to each of those USCP credit cards was held. Cards were adjusted to include current personnel and expanded levels on one card. Three total cards with a total limit of \$80,000 was proposed.

Jim Massey made a motion to accept the proposed changes to the Credit Card Authorization with a second by Adam Schindler.

Motion carried unanimously.

A discussion regarding the State Passback meeting was held. Kent and Boyd gave a report on that meeting. They recommended that a similar meeting be held each year. Verity advised that based on the motion that was approved in August, we have satisfied the requirements of that motion. A USCP Passback SOP was developed to assist in the process.

A review and discussion of the new AMS Guidelines and OGC Oversight was held. Dan stated that the Executive Committee went through these changes line-by-line and is coming to the board with a recommendation to approve the proposed adjustments to the Policy Manual and the Bylaws. A concern was expressed about the level of responsibilities that were removed from the board in the Bylaws that were not reassigned. Further discussion was held discussing this area and reassuring the board that, although items seemed to have been removed, they were described elsewhere and that the board remained in control, this only served to avoid situation where individual members could disrupt the whole.

Further discussion occurred including a review and discussion of the proposed Policy adjustments.

Boyd Funk made a motion to recommend to the full board to approve the proposed adjustments to the Policy Manual as presented with a second by Klint Stewart.

Motion carried unanimously.

There was a review and discussion of the proposed Bylaw adjustments.

A discussion was held concerning the ability to act if needed swiftly and effectively as a Chair, Executive or Board when necessary.

Clayton Short made a motion to recommend to the full board to approve the proposed adjustments to the Bylaws as presented with a second by Dan Krienke.

Motion carried unanimously, satisfying the requirement that a change to the Bylaws be approved by at least a 2/3 approval.

A discussion regarding the development of a new Management Agreement was held. Verity advised that a proposed Management Agreement will be brought to the Joint Management Committee at Commodity Classic in late February.

Jason Julian, USDA AMS - gave a report on behalf of USDA-AMS.

Proposed funding reviews were held:

US Grains Council - \$171,600 for base funding and \$165,000 for trade servicing was discussed including past contributions and the ability to capture value from those contributions.

Kent Martin made a motion to approve the two USGC requests at the requested level with a second Adam Schindler.

There was additional discussion.

Motion carried unanimously.

Leadership Sorghum Class V funding - \$125,000

Shayne Suppes made a motion to approve the funding of Leadership Sorghum at the requested level with a second by Dan Krienke.

A discussion was held. Shelee stated the timeline of the Leadership Program would be from September 2020 to December 2021. Tim advised that there is a possibility of adding an international component with some grant funds. Tim advised that the committee consider qualified candidates up to 15 and not be required to accept 15. Tim discussed the possibility of implementing a minimum age requirement of at least 25. Craig Poore called for question.

Motion carried unanimously.

Enhancing Sorghum Opportunities in Domestic and Export Aquafeed Sectors - \$201,883

Dan Krienke made a motion to accept the project at the requested level with a second by Jim Massey.

A discussion was held concerning the appropriateness, gain potential and acceptance of the information when developed.

Further discussion was held.

Motion carried unanimously.

Sustainability - \$75,000 for strategic marketing research and planning and \$75,000 for additional work.

Florentino talked about the previous board funding and placeholder funding that we still have unused. John advised that there is a need to have funding on hand for an as of yet un-hired sustainability director and giving that person some flexibility instead of being constrained for a full year with funding that is designated for specific projects.

Klint Stewart made a motion to fund the two sustainability projects as proposed with a second by Adam Schindler.

Additional discussion was held.

Motion carried unanimously.

Grant Funding Match - \$100,000

A discussion occurred concerning this funding. The board remained positive to the idea of funding and felt if needed, specific funding could be brought forth to the board on a call and approved.

Kent made a motion to table the Grant Funding Match request with a second by Craig Poore.

Motion carried unanimously.

A break in funding occurred to allow Jason Julian USDA AMS Specialist to allow the swearing in of new board appointees.

Verity advised that old business will continue with the old board and the new board will weigh in on new business.

Funding discussion continues:

High Protein Sorghum Development and Testing - \$36,000 and Waxy Sorghum Development and Testing - \$36,000

Justin and Florentino advised that these projects are so that the companies can produce enough seed to begin testing.

Dan Krienke made a motion to fund both sorghum development and testing projects at the requested levels with a second by Jim Massey.

A discussion was held on the past results of research in this area and if this was going to potentially end similarly as in the 90's.

Further discussion occurred.

Motion carried unanimously.

The market development projects were discussed and considered.

Continued discussions on the pros and cons of funding in these areas due to the size of marketplaces occurred.

Specific discussions occurred concerning the Market Development – Restaurant and Food Service - \$150,000 proposed funding.

Jim Massey made a motion to fund the Trent and Triad project as presented with a second by Shayne to fund.

Motion carried unanimously.

Dan Krienke made a motion to fund all of the remaining market development projects as requested with a second by Shayne.

Discussion continued.

Motion carried unanimously with one (Clayton Short) abstaining.

A discussion was held concerning the potential of a Sorghum LEAP program. This program is intended to push the next large investment that could influence sorghum in a positive manner and further help farmers.

Tim advised that this is a request for funding in an effort to pull the markets so that sorghum can finally get out of the “cheap substitute” approach whether China comes back or not. This project is focused on commercial partners to pull markets.

Kent Martin made a motion to allow staff to pursue LEAP projects with a second by Jim Massey.

Motion carried unanimously.

Verity called for the nominating committee report. Dan Krienke stated the unanimous recommendations from the nominating committee are as follows:

Chair – Jim Massey
Vice-Chair – Kent Martin
Treasurer – Boyd Funk
Secretary – Craig Poore
Past Chair – Verity Ulibarri

The board recessed for lunch.

With no further old business, Verity welcomed the new board members to the board.

Verity opened a discussion regarding the recommendation of the nominating committee. She explained the nominating and voting process.

Verity opened the floor for nominations for the position of Board Chairperson. There was a nomination from the floor for Craig Poore for the position of Board Chairperson.

Verity opened the floor for nominations for the position of Board Vice-Chairperson. There were none.

Verity opened the floor for nominations for the position of Board Treasurer. There were none.

Verity opened the floor for nominations for the position of Board Secretary. There were none.

Verity closed the floor for nominations for the Board officer positions.

A vote was held by ballot.

Florentino discussed the Code of Ethics and Conflict of Interest Statement, as well as the Fraud Policy Acknowledgement Statement and requested board and staff signatures on those acknowledgements.

Vernie Hubert and Stephen Bigge counted the ballots.

Verity reported that the vote for the position of Board Chairperson went to Craig Poore.

Verity opened the floor for nominations for the position of Board Secretary. There was a nomination from the floor for Jim Massey for the position of Board Secretary.

Vernie Hubert and Stephen Bigge counted the ballots.

Verity reported that the vote for the position of Board Vice-Chairperson went to Kent Martin;

the vote for the position of Board Treasurer went to Boyd Funk;

the vote for the position of Board Secretary went to Jim Massey.

Jim Massey made a motion to move into Executive Session (1:48 p.m.) with a second by Adam Schindler.

Motion carried unanimously.

No formally accepted business was conducted in executive session.

Jim Massey made a motion to come out of Executive Session (3:13 p.m.) with a second by Josh Birdwell.

Motion carried unanimously.

Craig Poore made a motion to adjourn with a second by Kendall Hodgson.

Motion carried unanimously.