
SPECIAL MINUTES**February 21, 2025**<https://us02web.zoom.us/j/82239894144>**Present**

Kevin Klein, District VII-Barley / Chair
Ty Jessup, Position 2-Wheat Industry Rep / Vice Chair
Brit Ausman, District III-Wheat / Treasurer
Mike Carstensen, District I-Wheat
Ben Barstow, District II-Wheat
Ben Adams, District IV-Wheat
Nicole Berg, District V-Wheat
Art Schultheis, District VI-Barley
Brian Liedl, Position 1-Wheat Industry Rep
Scott Steinbacher, WA ST Dept. of Agriculture Rep

Staff:

Casey Chumrau, Chief Executive Officer
Mary Palmer Sullivan, Vice President
Lori Maricle, Director of Communication
Jake Liening, Market Development Specialist
Sheila McCrea, Finance & Administrative Specialist
Shari McCarthy, Receptionist/Accounts Specialist

Visitors:

Industry, general public and media

Absent

Barley Industry Rep - *Vacant*

Call to Order – Chair Ben Barstow called the special meeting of the Washington Grain Commission (WGC) to order at 9:00 a.m. on February 21, 2025.

Administrative

1. Introductions and Roll
2. Open Forum – Public Comment Period. Tom Kammerzell, a Washington wheat assessment payer, expressed the opinion that the public meetings rules are important. He requested that the letter he submitted to the commission on January 24 be added to the minutes of that meeting. He posed several questions, later reframing them as statements of concern, regarding the levels of WGC reserve funds and provided the opinion that the commission should consider paying dividends back to growers from unused assessment funds collected.

Current Chair Ben Barstow related that the WGC maintains one year of anticipated budget in reserves in case of a total crop failure. In addition, the WGC maintains specific reserves for market development-related crisis response and emergency management. CEO Casey Chumrau reported reserves at \$5.4 million, with a marketing reserve balance of \$1.5 million, respectively, and that the combined \$6.9 million is currently invested in federal notes and certificates of deposit, and are returning interest revenue for the commission.

Mike Carstensen related his unease regarding the quickly adjourned meeting on January 24 and encouraged growers to work through their district commissioners if they have any concerns regarding WGC business.

Mr. Kammerzell stated the opinion that the commissioners and industry representatives were directly appointed by the Washington Department of Agriculture (WSDA) and not elected by growers.

The Revised Code of Washington (RCW), [Chapter 15.115](#), contains procedural rules for the Washington Grain Commission. [RCW 15.115.060](#) – [15.115.070](#) cover appointment, nominations, advisory ballot and advisory vote for producer members and industry representatives of the commission.

Industry Representative Brain Liedl called for a point of order, and stated the Public Forum is not intended to be used as an open Q&A, but a period of time to allow constituents or others to express ideas or opinions.

3. Election of Officers – Scott Steinbacher, Eastern Washington manager of the Warehouse Audit/Grain Inspection Programs, Washington State Department of Agriculture (WSDA) Representative on the WGC board, conducted the officers' election process and asked for officer nominations for the ensuing year. Kevin Klein was nominated as Chair, Ty Jessup as Vice Chair, and Brit Ausman as Treasurer. No other nominations were received after requesting three times for additional names and the following motion was made:

Motion was moved, seconded and passed to approve the following slate of officers for 2025: Kevin Klein as Chair; Ty Jessup as Vice Chair and Brit Ausman as Treasurer.

4. Approval of Minutes – November 18, 2024; January 24, 2025; and February 10, 2025. The minutes of the regular and special meetings were circulated to the members of the WGC prior to this meeting.

Motion was moved, seconded and passed to approve the minutes of the regular November 18, 2024 meeting as recorded.

Motion was moved, seconded and passed to approve the minutes of the adjourned regular January 24, 2025 meeting as recorded.

Motion was moved, seconded and passed to approve the minutes of the special February 10, 2025 meeting as recorded.

5. Approval of Financials – Chair Kevin Klein reviewed the WGC financial statements for the months of November and December 2024 and January 2025 with the board as follows:

BALANCE SHEET FOR THE GENERAL FUND

January 31, 2025

Assets:

Checking – US Bank	11,846.34
Petty Cash	188.47
W – US Bank Saving	1,148,558.89
B – US Bank Savings	65,280.50
W – Robert W. Baird Mmkt Acct	25,415.62
W – Robert W. Baird Investments	17,949,976.37
B – Robert W. Baird Mmkt Acct	776.80

B – Robert W. Baird Investments	208,819.66
Assessments Receivable	<u>133,980.47</u>
Total Assets:	<u>\$19,544,843.12</u>
Liabilities:	
Accounts Payable	22,561.26
ID Withholding Payable	183.00
WA Cares Fund	375.83
Paid Family Medical Leave	467.22
L&I Premium Payable	324.45
Unearned Assessments Revenue	133,980.47
Unearned Revenue (Renter Deposit)	<u>3,000.00</u>
Total Liabilities:	\$160,892.23
Equity:	
Retained Earnings-Current Year	1,059,394.98
Fund Balance (Unassigned)	11,424,555.91
Reserved Fund Balance (Assigned)	5,400,000.00
Marketing Reserved Fund Balance (Assigned)	<u>1,500,000.00</u>
Total Equity:	\$19,383,950.89
Total Liabilities & Equity	<u>\$19,544,843.12</u>

Transfers and disbursements were reported to the board for the periods of November and December 2024 and January 2025 and recommended that all transfers and disbursements be approved and authorized for payment. There were no voided checks.

Motion was moved, seconded and passed to approve ACH Transfers 337-348 and Checks #33173 - #33187 representing November 2024 expenditures; and ACH Transfers 349-375 and Checks #33188 - #33207 representing December 2024 expenditures; and ACH Transfers 376-392 and Checks #33208 - #33221 representing January 2025 expenditures.

6. Assessment Collections / Investments – CEO Casey Chumrau presented the Analysis of Assessment Collection report which showed that as of February 21, the following amounts were received: barley assessments \$86,156; and wheat assessments \$4,002,232. Barley assessments are down substantially from the previous year at this time. It is estimated that approximately \$1.7 million in wheat assessments will be collected in the next few months, pushing total income to exceed expectations.

Current investment details of certificates of deposit and federal notes for barley and wheat, which are tracked separately per RCW 15.115.280, were communicated to the board. Combined CD and FN investments for barley totaled \$248,576; and wheat investments totaled \$20,327,202. Interest rates for new investment offerings with Robert W. Baird & Co. (RWB) are sinking lower with longer maturity dates.

7. Draft 2025 Committee Assignments – Chair Kevin Klein referred to the draft committee assignments recommended for the year and asked for board suggested changes. After a lengthy discussion, a consensus was reached on adequate coverage of the various board responsibilities and the appointments were made as follows:

2025 COMMITTEE ASSIGNMENTS**Marketing**

U.S. Wheat Associates

Carstensen, Barstow

Wheat Marketing Center, Inc.

Ausman, Adams

Plains Grains, Inc.

Carstensen

Marketing Committee

Berg

Barstow

Carstensen

Jessup

Liedl

Barley: Marketing/Research

U.S. Grains Council

Klein, Schultheis

National Barley Growers Association

Klein, Schultheis

National Barley Improvement

Klein, Schultheis

Research

WSU Land Legacy/Bohrnsen Farm

Barstow

WSU Othello Farm

Adams

WSU Wheat Advisory

Chair, Vice Chair

WSU Varietal Release

Barstow, Jessup, Berg

WSU Variety Testing Advisory

Ausman, Klein, Schultheis

WSU Grain Royalty Advisory

Berg

National Wheat Improvement

Barstow, Adams

Research Committee

Barstow

Carstensen

Klein

Schultheis

Education

Washington Wheat Foundation

Berg

Washington Assn of Wheat Growers

Adams, Klein, Berg

Washington Grain Alliance

Chair, Vice Chair, Treasurer

Education Committee

Ausman

Berg

Klein

Adams

8. FY2024 Audit Presentation & Approval – Brandon Tregallas, DeCoria, Blair & Teague, P.S. CPA, presented the financial audit report to the board via Zoom offering the required communication with those charged with governance. Resulting opinion is an unqualified or “clean” opinion on the financial statements. All material responses are free from errors and fairly presented. There was one audit adjustment: the transferring of \$10,542 from the Durango car sale to State Surplus Department back to Wheat Miscellaneous Income rather than credit Capital Assets Outlay account. The audit did not disclose any deficiencies or weaknesses in internal controls, there were no compliance findings material to financial statements. No updates on prior year findings because there were no deficiencies or weaknesses last year. Auditor did not encounter any difficulties in performing the audit. Audit will be submitted to the state auditor’s office and they will review whether the necessary audit processes were followed.

The audit exit interview with Assistant Audit Manager Phillip Ventress, State Auditor's Office, went well addressing a smooth audit process. It was related that Assure CPA (outside accounting company) assisted with the validation of records to be presented to auditors. Mr. Tregallas stated that with the untimely passing of partner Brandon Blair changes have occurred at their agency, most notably the decision to no longer engage in audits of any Washington state governmental agencies in the future. The WGC will need to hire a different accounting agency for future audits.

Motion was moved, seconded and passed to approve the FY 2024 Audit Financial Report.

District Reports

- Mike Carstensen (District 1: Ferry, Lincoln, Pen Oreille, Spokane, Stevens) – There is a little bit of snow cover and good moisture, but there is some angst about crop conditions. The angst is due to the dynamics of CSP contracts, disaster money, and crop inputs. Input costs aren't horrible, but they aren't that good, and there is talk that they could get worse.
- Ben Barstow (District 2: Whitman) – Plenty of frost and snow cover. Colfax has plenty of bare ground. Afraid that a lot of rain will not get to the places it's needed. Freezing cold temps, lots of worry. Same concerns as everyone.
- Brit Ausman (District 3: Asotin, Columbia, Garfield, Walla Walla) – Echo the same, district is fine for moisture, but did not have snow cover. Not much crop damage. 6-12 inches of snow cover. Some erosion but not bad. A lot of uncertainty, top to bottom.
- Ben Adams (District 4: Adams, Chelan, Douglas, Grant, Okanogan) – Have had snow cover for a while. During cold weather the crop did not have a lot of cover. Significant water run off as snow melts. Concerns about uncertainty and input costs. EQUIP payments are put on hold. Government payments are not certain.
- Nicole Berg (District 5: Benton, Franklin, Kittitas, Klickitat, Yakima) – The "new" Palouse because there is so much rain. A lot of complaints about tariffs and input costs. Central Machinery is going around telling people to buy parts before the tariffs hit. The crop looks good.
- Art Schultheis (District 6 Barley: Asotin, Benton, Columbia, Franklin, Garfield, Klickitat, Walla Walla, Whitman, Yakima) – First of January, they had 1" above normal for precipitation. No snow cover but no wind so the wheat was in good condition. About 1" of snow, ½" of rain. More to come. He made the comment that the Secretary of Agriculture Brooke Rollins stated that all payments with EQUIP, and government payment will be unfrozen.
- Kevin Klein (District 7 Barley: Adams, Chelan, Douglas, Ferry, Grant, Kittitas, Lincoln, Okanogan, Pen Oreille, Spokane, Stevens) – The snow cover is nice going into the cold snap. We will see what we have from warm weather in the coming months. There is still frost on the ground.

Industry and WSDA Reports

- Brian Liedl (Wheat Industry Rep, Position 1) – On the export side, it has been steady, busy loading vessels, lots of corn this year. Corn prices have been competitive, and white wheat has driven export volumes up. The Australians are trying to price wheat just below PNW values. USDA's estimated number for exports looks quite aggressive. Chinese have scaled way back on grain procurement this year. For the domestic market, cold weather has slowed down freight movement.
- Ty Jessup (Wheat Industry Rep, Position 2) – Rail market has been poor with staffing and cold weather. Weather is warming up so rail activity should increase, but it will continue to highlight the labor shortage. They will be reluctant to add staffing with trade wars looming. The same number of shuttles this year as last year will be running. Cash markets have gone up in the last two weeks based on crop concerns in South America. Increased grower selling recently, but there won't be a lot of wheat to buy in the next five months before harvest. Liquidity will be tougher to come by in the second half of the marketing year. The main exporting countries are getting tight

on production. The world needs their wheat and if they don't have it, they will put tariffs on it to curb export flow. The markets won't change if there is a ceasefire in Ukraine v Russia.

- Scott Steinbacher (Eastern Washington manager of the Warehouse Audit/Grain Inspection Programs, Washington State Department of Agriculture) – The new Washington Governor Bob Ferguson appointed Derek Sandison as continuing Director of WSDA and he was confirmed in the Senate. Working through lots of budget cuts in the State. Trying to cut back in places they can. Lots of programs within the Department of Ag that have been frozen. Trying to figure out how to keep food safety programs funded. Exports are fairly busy and steady. Trying not to ramp up staffing too much even though they're short-handed because they don't know what tariffs will do.

Grower Services

1. WAWG Update – Jeff Malone, Washington Association of Wheat Growers newly elected president, reported that WAWG was in Washington, D.C. for National Association of Wheat Growers (NAWG) meetings, in addition to congressional office and agency visits. They presented NAWG's Farm Bill priorities as well as hosted a legislative staff dinner which was well attended. WAWG participated in Legislative Days in Olympia January 19-21, where they met with 51 legislators and agencies, and well hosted a very well attended reception. WAWG holds their weekly state legislative zoom calls on Tuesday's at 8:30 a.m. when their lobbyists discuss the week and what bills are going to be addressed. After the legislative session is closed in June, plans are underway to co-host a Legislative Tour with the Washington potato growers. The 2024 Tri-State Grain Growers Convention was a success. Next year's convention will be held as a Washington-only event and will be held in Coeur d'Alene, ID November 17-20. Michelle Hennings, executive director, provided a Transportation Study and Lower Snake River water supply update conducted by WSDOT, in addition to relaying her participation in a River Stakeholder fly-in to Washington, D.C. the week of February 10.
2. State Legislative Update – Mark Streuli, Streuli Public Relations, and Diana Carlen, Gordon Thomas Honeywell Governmental Affairs, provided updates on the legislative activity in Olympia. Friday, February 21, marked the first major deadline of the legislative session when bills must have been voted out of their respective policy committees in order to still be considered alive for this session. The second deadline is less than a week away on February 28, when bills must be passed out of their fiscal committees. Over 1,960 bills have been introduced this session, and many will die because they will not move out of their policy committees. They stated that they are following numerous bills that affect agriculture. One recent notable bill included the road usage charge that would require a tax on miles driven within the state of Washington, and many were on record opposing this.
3. Industry Relations – Mike Miller, Washington Genetics, LLC informed the board that he will be representing WSU while attending the Council for Agricultural Research, Extension and Teaching (CARET) meetings the week of February 24, held in Washington, D.C. He explained the 7-step process that it takes to open a new market for PNW wheat, and he referred to Myanmar as an example. The process can take 7-10 years and involves many agencies of the government. He also briefed the WGC on the potential impacts of tariffs on wheat trade. There is momentum and support for moving USAID funding for programs providing food assistance around the world to the U.S. Department of Agriculture, where it is in effect implemented. He provided history and lessons from the Phase 1 agreement with China.

Market Development

1. U.S. Wheat Associates – Mike Carstensen provided a summary of the last USW board meeting in Washington, D.C. in January. The USW budget is in a very strong position but there is still some uncertainty surrounding FAS planning and funding as the presidential administration transitions. There was a very informative joint USW/NAWG session on various regulatory and policy issues, including an update from Torrey and Associates on the Lower Snake River Dams. The upcoming

summer board meeting will be held in Boise, ID to celebrate outgoing Chairman Clark Hamilton. Commissioners are encouraged to attend. Mike Carstensen will also be sworn in to the USW officer team.

- a. RVA Purchase for South America – During the PNW trade team visit to the Santiago lab in October, the Rapid Visco Analyzer (RVA) equipment was identified as necessary and essential for promoting U.S. soft white wheat value. RVA measures the viscosity and pasting properties of flour and starch. It is a test included in the SW crop quality reports, and it is important that the USW lab can replicate the tests with customers who already use it and to teach new customers how to use it. RVA, much like SRC, favors SW wheat over alternatives. Mike Carstensen recommended sharing the \$83,640 cost for the machine and on-site training of technicians with the three PNW states.

Motion was moved, seconded and passed to approve funding up to \$30,000 to U.S. Wheat Associates toward a Rapid Visco Analyzer (RVA) equipment purchase for USW/Santiago Laboratory.

- b. Asian Buyers Conference, Golf Tournament – Casey Chumrau recommended sponsoring the two golf tournaments (green fees for customers and lunch), splitting the cost evenly between the three PNW states. Staff are looking for commissioners to attend the conferences. Brian Leidl will be there on behalf of United Grain and WGC. Other commissioners will consider the dates.

Motion was moved, seconded and passed to fund 1/3 sponsorship (\$3,000) of the USW Asia Buyers Conferences golf tournament and meal costs.

- c. PNW Market Development Trip to SE Asia – A second annual Tri-State trip was proposed for October. The first PNW trip to South America occurred last fall and it was determined that it was beneficial enough for it to take place again. The trip will be to the Philippines, and then Vietnam, and/or Indonesia. The trip would be this October and fully funded by the PNW Commissions. Staff are looking for one Commissioner to attend.
2. Barley Update – Kevin Klein reported that he, Art Schultheis and Mary Palmer Sullivan represented the WGC at the National Barley Growers Association (NBGA) meeting in Washington, D.C. February 3-6. In addition to attending the board meeting, the group met with various congressional office staff and members to share the NBGA priorities. The Beer Institute co-hosted with the NBGA a reception on the Hill for members and staff and it was well attended. The next meeting will be held in mid-June in Golden, CO.
3. Wheat Marketing Center – Brit Ausman reported the WMC is continuing discussion about the building status, costs, costs to move, and what their options are. There have been issues with the building maintenance and constant loiterers outside requiring 24-hour surveillance. He said that the board estimated it would cost \$800,000 to move the equipment out of the building to another location.

Communications and Education

1. Grower Meetings – Update and Report – Market Development Specialist Jake Liening gave a presentation on the grower meetings attended by staff in January and February. To date, they presented at 15 meetings and collected 398 questionnaires, with three scheduled meetings left. He presented preliminary survey results. WGC received an excellent reception at all of the meetings, with growers showing appreciation for the information. Staff recommend repeating the meeting schedule in future years and encourage more commissioner participation.
2. Communications Update – Director of Communication Lori Maricle provided an annual communications update, presenting analytics data on the WGC main communication channels,

and updates on ongoing communication efforts with the Washington Wheat Foundation (WWF) and Washington Association of Wheat Growers (WAWG). She provided supporting data for the direction of promotional funds, previously approved by the commission, to be directed to print channels as well as digital media. The Seasons of Farming collaborative campaign with the WWF and WAWG is currently in its final phase of content acquisition, with post-production to begin in April and final project deliverables scheduled by the end of the fiscal year. Premiere and promotional activities are slated to run July through December 2025.

3. Washington Wheat Foundation Tile Purchase – Casey Chumrau reported that WWF is currently seeking participation in latest round of its Building Tile Recognition fundraising campaign. As the WGC did not previously have a tile, Ms. Chumrau will be authorizing a tile purchase at the cost of \$500.

Research

1. WSU Report – Dr. Rich Koenig, Department of Crop and Soil Sciences professor, Washington State University, informed the board that due to the President's executive orders, implementation and several government grants, hirings, and programs have been frozen, which has a significant impact at WSU. In addition, there were 12 USDA-ARS positions in Pullman that were terminated. One position that affects the grain industry specifically is the Western Wheat Quality Lab's director. It was suggested that the WGC consider funding this position temporarily through WSU to maintain consistency and leadership.

Motion was moved, seconded and passed to approve funding up to \$75,000 for the WSU request to retain senior scientist contract position that was proposed.

WSU has hired a new president, Dr. Elizabeth Cantwell, who is set to begin her role on April 1, succeeding Kirk Schulz, who has served as president since 2016. Schulz will remain a senior advisor to support the transition through June 2025.

2. Variety Testing Program (VTP) – Dr. Rich Koenig reported that WSU has designated Dr. Mike Pumphrey as the VTP lead on the spring variety trials, while Dr. Kim Garland Campbell will be leading the winter variety trials. Lead technicians in Drs. Pumphrey and Garland Campbell's programs will provide training and support for the recently hired and existing technicians, in addition to providing interim management of data and equipment. A thorough update was given to the advisory committee as well as during the Research Review. The WSU VTP website is in the process of updating the 2024 data and will have maps for the 2025 plots this spring.
3. WSU/ARS Committee Reports – Mary Palmer Sullivan reported that she is closely monitoring the implementation of the President's executive orders and their impacts relative to WSU and USDA-ARS. This is an ongoing situation, and it is uncertain when or how the changes will be made.
4. Evergreen Grain Consortium – Dr. Mike Pumphrey, leader of the spring wheat breeding and genetics program, informed the WGC that WSU faculty and ARS scientists have been meeting with the Washington Research Foundation (WRF) regarding opportunities to fund a transformational project in developing and improving grain products for human health. There is considerable interest from the WRF in funding this research and product development that couples plant breeding, agronomy and new end-use food product development with improved human health. The WRF funds projects for five years at levels of \$5 to \$10 million, with matching funds required. The board asked Dr. Pumphrey to provide more details for the proposal to be discussed at the March board meeting.
5. Endowed Chairs Review Follow-Up – Mary Palmer Sullivan reported that she had sent the WGC's suggestions and feedback from the January Endowed Chairs Review in a letter to the CAHNRS dean. The dean will use this information to send out a letter to each of the researchers as part of their annual review.

6. Research Review Follow-Up – The WSU Wheat and Barley Research Review was held on February 11 in Pullman. New and renewal proposals were presented and growers attending were asked to prioritize all the proposed projects for the WGC to review and the final rankings will be available for the WGC at their March board meeting.

Other Topics

1. There were no other topics presented.

Calendar & Travel Authority

1. Approve Retroactive and Future Travel Authority

Motion was moved, seconded and passed to approve and authorize retroactive, blanket, and future travel and virtual attendance as follows:

Retroactive Travel

December 13	McGregor Industry Meeting, Colfax Brian Liedl / Ben Barstow / Ty Jessup / Kevin Klein
December 16	WAWG / WGC Coordination Meeting, Colfax Brian Cochrane
January 7-8, 2025	Cropping Systems Conference, Richland Commissioners / Staff
February 4-6	Spokane Ag Expo / Farm Forum, Spokane Commissioners / Staff

Blanket Travel

January – December 2025

Field Days / Tours / Trade Teams
Commissioners / Staff

PNW Waterways Association Board Meetings
Casey Chumrau

U.S. Wheat Associates Board Meetings
Ben Barstow / Mike Carstensen / Staff

Wheat Foods Council Board Meetings
Lori Maricle

Wheat Marketing Center, Inc. Board Meetings
Brit Ausman / Ben Adams

WSU Dean Search Committee Meetings
Casey Chumrau

WSU Wheat Advisory Committee Meetings
Ben Barstow / Brit Ausman / Ty Jessup

WSU Variety Testing Advisory Committee Meetings
Brit Ausman / Kevin Klein / Mary Palmer Sullivan

Future Travel

March 2-6	Nat'l Barley Improvement Committee, WA, D.C. Mary Palmer Sullivan
March 3-11	USW Board Team – SE Asia, Philippines, Thailand, Singapore Ben Barstow / Jake Liening
April 20-26	IGP Intro to Milling Course, Manhattan, KS Jake Liening
May 20-29	USW NAM Conference / S & SEAM Conference, Danang, Vietnam 2 Commissioners / Casey Chumrau / Jake Liening

EXECUTIVE SESSION

An Executive Session was called by Chair Kevin Klein and held on Friday, February 21, from 4:30 p.m. for 20 minutes to discuss personnel issues (RCW 42.30.110(1)(g)).

Motion was moved, seconded and passed to adjourn the public meeting at 4:30 p.m. and go into Executive Session at 4:31 p.m. for 20 minutes.

Motion was moved, seconded and passed to adjourn the Executive Session at 4:50 p.m. and to reconvene the public meeting at 4:51 p.m. and to then adjourn the meeting.

No action was taken following this Executive Session.

Date/Place Next Meeting

Chair Kevin Klein designated March 25 and March 26, 2025 as the dates of the next special Priority Session #2 and regular board meeting, respectively, of the commission to be held at the commission office.

Adjourn

There being no further business before the commission, this meeting was adjourned at 4:51 p.m.

Minutes Approval Signature

Upon passage of minutes by board at subsequent meeting

Kevin Klein, Chair

Date