

LOUISIANA RICE RESEARCH BOARD

MINUTES

Crowley, Louisiana
October 31, 2017

MEMBERS PRESENT: Jackie Loewer, Richard Fontenot, Donald Berken, Clarence Berken, Brian Wild, Fred Zaunbrecher, Damian Bollich, Ronnie Sonnier, Benjy Rayburn for LDAF Commissioner Mike Strain, Michael Fruge, Jude Doise, Sammy Noel, Jason Waller, and Phillip Lamartiniere

MEMBERS ABSENT: Dane Hebert

OTHERS PRESENT: Steve Linscombe, Kyle McCann, Bruce Schultz, Michael Klein Rogers Leonard, Scott Soileau, Kane Web, Kurt Guidry, Dustin Harrell, Don Growth and Frankie Gould

The business meeting was called to order immediately following the research project reports. Chairman, Jackie Loewer called the business meeting to order and asked members to review the agenda items. He indicated that the agenda order had been changed to accommodate presenter schedules.

ACTION #1 A motion was made by Richard Fontenot, seconded by Ronnie Sonnier and carried, to approve the agenda.

The Board next considered the minutes of the previous meeting. It was noted that State Representative John Stefanski was in attendance at the last meeting and the minutes should be amended to reflect his attendance.

ACTION #2 A motion was made by Ronnie Sonnier, seconded by Clarence Berken and carried, to approve the minutes of the previous meeting as amended.

Frankie Gould then reviewed the Board's annual report. She reviewed the draft content (13 articles) and timeline for the publication. The Board briefly discussed the various topics to be included.

The LDAF September 2017 assessment collections report was then presented by Kyle McCann. For the month of September assessment collections were \$100,389.68. The year to date assessment collections were \$206,714.73 and year to date refunds were \$8,903.70 or approximately 4.3% of total collections.

ACTION #3 A motion was made by Phillip Lamartiniere, seconded by Donald Berken and carried, to receive and file the LDAF collections report.

Scott Soileau then reviewed the previous year end June 30, 2017 financial operating report and the September 30, 2017 report. He reviewed each of the various fund balances and discussed the current financial position of the Board. The Board discussed their current financial position and the current fund balances.

ACTION #4 A motion was made by Ronnie Sonnier, seconded by Clarence Berken and carried, to receive and file the financial reports.

The next agenda item was legal considerations. Chairman Loewer indicated that nothing has really changed since his last email. The amended lawsuit is under appeal.

The Intellectual Property Committee report was then presented by Richard Fontenot. Rogers Leonard reminded the Board that the LSU AgCenter royalty funds are not transferred to the Board but are allocated to projects recommended by the committee and approved by the Board under a MOU. This year \$200,000 would be available. The committee did recommend to sign the MOU and to continue to fund the breeder position (\$143,600 and two pieces of equipment: a seed counting devise for \$28,000 – \$30,000 and an autoclave for \$30,000. There was a brief update on technology work and discussions between BASF and the LSU AgCenter.

ACTION #5 A motion was made by Richard Fontenot, and carried to approve the recommendations of the IP Committee and that the MOU with the LSU AgCenter be approved.

Chairman Loewer then reported on the USA Rice Foundation activities. Steve Linscombe , the Executive Director of the Rice Foundation, gave an overview of the organization, the Leadership program and research funded by the Foundation. He reviewed and discussed the importance of the Arsenic research conducted through the Foundation.

Michael Klein, with USA Rice, presented a proposal by the Rice Foundation. The research project proposal was to conduct nutritional research for the 2020 dietary guidelines. Each rice state was also being asked to fund the project. The proportionate cost for Louisiana would be \$17,000. There was some discussion about the research and the use of the results.

The Board then considered Col-Rice Fund Use Committee report and funding recommendations. Chairman Loewer reported on the August meeting of Col-Rice and the auctions held year to date. Clarence Berken reviewed the Committee report and recommendations. The Committee recommended the funding of 3 equipment items requested for a total of \$580,000 (generator \$250,000, two tractors \$275,000, laser system \$55,000) and to provide up to \$360,000 for research projects for 2018. Kyle McCann reviewed the available TRQ balances and reserves. The Board discussed the recommendations and considered funding the Rice Foundation research proposal for \$17,000 out of Col-Rice TRQ funds.

Roger Leonards then updated the Board on the effort to create an Endowed Chair for rice research using Col-Rice funds. The endowment has been considered by the Attorney General's (AG) office. The AG's office gave a positive oral opinion. The current agreement in support of the station will need to be approved by the Administration. Hopefully the process will continue to move forward.

ACTION #6 A motion was made by Clarence Berken, seconded and carried, that the Col-Rice committee recommendation be approved as amended and fund \$580,000 (generator \$250,000, two tractors \$275,000, laser system \$55,000) and to provide up to \$360,000 for research projects for 2018 and fund the Rice Foundation research proposal for \$17,000 out of Col-Rice TRQ funds.

The Board then considered the checkoff assessment and EU TRQ income estimates and operating budget. Kyle McCann then reviewed the assessment income for this year's crop, reserve balances as of 6/30/17 by fund type and the board's operational budget estimates for FY 2018. After some discussion and general agreement on income estimates and operating expenses, the Board began to discuss the proposed research projects (continuing and new) and funding requests. The Board reviewed each project and established funding levels for 2018.

The Board then reviewed the funding decisions, operating budget and the impact on projected reserves by fund type. The continuing projects to be funded by checkoff funds was \$1,520,986 however the checkoff funds available were only \$1,243,025. After some discussion it was agreed that the shortfall of \$277,961 would be funded by Col-Rice TRQ funds. It was agreed that the shortfall would be allocated to the variety development project.

ACTION #7 A motion was made by Clarence Berken, seconded and carried, to approve funding continuing projects as listed with available Col-Rice TRQ funds in addition to the recommendations approved earlier. The \$277,961 shortfall in checkoff funds would be funded by and allocated to Col-Rice TRQ.

The approved projects, final funding level allocations and budget were reviewed and are attached. After agreeing to the 2018 funding allocations and budget, the Board considered the renewal of the necessary contracts for 2018.

ACTION #8 A motion was made by Richard Fontenot, seconded by Donald Berken and carried to approve the funding levels, budget and necessary contracts for 2018 with organizations and individuals in the amounts agreed to in the approved operating budget and project allocations; LSU AgCenter research projects \$ 2,452,124, USA Rice up to \$16,000; The Rice Foundation market research project \$17,000, The Rice Foundation \$5,000; accounting with Dugas, Soileau and Breaux \$1,600; administrative with Kyle McCann \$2,000.

An LSU AgCenter Southwest regional director report was presented. Dr. Kurt Guidry made the announcement that Dr. Don Growth would be the Resident Coordinator and Dustin Harrell would be the Resident Research Coordinator.

The long grain brand working group activities were reported on by Michael Fruge. The work is still ongoing and includes looking at grading factors and eventually setting parameters for each.

Chairman Loewer briefly reported on the activities of the USA Rice Federation's legislative and regulatory efforts. A lot of focus is currently on the federal budget and farm bill developments.

The Blackbird project continuation was also mentioned.

Kyle McCann then briefly reviewed the ethics training and reporting requirements for Board members. The online ethics training is an annual requirement to be fulfilled by the end of the year. Tier 2.1 reports have to be filed by May 15th each year. Members will receive reminder emails.

Richard Fontenot informed the Board of Governor John Bell Edward's listening sessions. The Governor and Commissioner Mike Strain had scheduled several across the state. He encouraged everyone to attend and bring some people with you. This would be an excellent opportunity to highlight the rice industry's contributions to the state's economy and bring attention to our issues.

Chairman Loewer led a discussion on water issues. He also asked if Hybrid rice issues should continue to be considered by the IP committee or is a new committee just for Hybrid rice issues needed.

The public comment period was then conducted. Steve Linscombe mentioned the efforts to assist the Puerto Rico nursery.

There being no further business the meeting was adjourned.

RICE RESEARCH PROJECTS FOR 2018			
Department/Proposal Title Principal Investigator	2018		
	EU-TRQ	Co/Rice TRQ	Checkoff
Continuing Projects			
Ag Economics & Agribusiness Economic Analysis of Rice Production and Farm Management in Louisiana Deliberto, Michael (Salassl)			\$40,000
Dean Lee Research Station Development of UAV and Drone Technologies for Rice Production Field Use Price, Randy			\$45,650
Entomology Integrated Management Strategies for Insect Pests of Rice in Louisiana Wilson, Blake (Stout)			\$109,000
Idlewild Research Station Development of an Encapsulation Protocol for Sodium Nitrate fo Control of Feral Swine in Rice Gentry, Glen <i>Received \$30,000 TRQ Funding</i>		\$30,000	
LSU Department of Biological Sciences Identifying Low-Arsenic Rice Varieties Smith, Aaron			\$21,197
Northeast Research Station Yield Evaluation of Commercial-Advanced (CA) Testing Program in Northeast Louisiana Miller, Donnie			\$15,000
Plant Pathology & Crop Physiology Characterization and Utilization of Genetic Traits for Resistance to Multiple Diseases of Rice Ham, Jong Hyun			\$52,338
Development of Seed Treatment Methods to Enhance Rice Health Ham, Jong Hyun <i>Received \$32,588 EU-TRQ Fund</i>	\$32,588		
H. Rouse Caffey Rice Research Station Development of Superior Rice Varieties for Louisiana Famoso, Adam <i>Received \$537,961 TRQ</i>		\$537,961	\$18,639
Enhancement of Rice Research and Extension Communications Gould, Frankie			\$43,395
H. Rouse Caffey Rice Research Station Overall Support Overall Support Groth, Donald			\$27,500
Louisiana Rice Research Verification Program Harrell, Dustin			\$23,100
Rice Multidisciplinary Research Program Conducted at the Rice Research Station Groth, Donald			
Objectives Listed Below 1-9	Objective Allocation		
Objective 1 Integrating Molecular Breeding Approaches Into Rice Variety Development Program Famoso, Adam			\$71,500
Objective 2 Multiple Generation Rice Breeding Nursery Famoso, Adam (Linscombe)			\$82,500
Objective 3 Development of Disease Control Practices In Rice Groth, Donald			\$75,350
Objective 4 Rice Management Strategies for Efficient Utilization of Agronomic Inputs and Natural Resources Harrell, Dustin			\$144,375
Objective 5 Effect of Water Mgt Practices on Nitrogen Use Efficiency and Yield of Drill-Seeded, Delayed Flood Rice Production Kongchum, Manoch <i>Received \$28,550 TRQ Funding</i>		\$28,550	
Objective 6 Development of Hybrid Rice and Sheath Blight-Resistant Germplasm for Louisiana Oard, James			\$127,710
Objective 7 Marker-Assisted Breeding and Development of Molecular Markers for Important Traits in Louisiana Rice Production Utomo, Herry			\$31,763

RICE RESEARCH PROJECTS FOR 2018			
Department/Proposal Title Principal Investigator	2018		
	EU-TRQ	ColRice TRQ	Checkoff
Objective 8 Rice Grain Quality Enhancement: Characterization of Elite High Protein Lines and Development of Herbicide-Resistant Rice Wenefrida, Ida			\$25,988
Objective 9 Rice Research Station Infrastructure, Facilities Upgrade and Support - <i>COLTRQ Funding</i> - Generator \$250,000; 2 Tractors \$275,000; Laser System \$55,000 Growth, Donald		\$580,000	
School of Plant, Environmental & Soil Sciences Development of Drought-Tolerant Rice for Louisiana with High Water Use Efficiency under the Future Climate Change Scenario Baisakh, Niranjan			\$0
Breeding Salt Tolerant Rice Varieties Subudhi, Prasanta			\$69,443
Weed Management in Herbicide- Resistant/Tolerant and Conventional Rice Webster, Eric			\$183,577
Continuing Project Funding	\$32,588	\$1,176,511	\$1,208,025
New Projects			
Northeast Research Station Development of Best Management Practices for Row Rice Production Systems in Northeast Louisiana Miller, Donnie			\$35,000
Total Funding for New Projects			\$35,000
Total Funding for New and Continuing Projects	\$32,588	\$1,176,511	1,243,025
Total Funded for 2018		\$2,452,124	

Table 1. CHECKOFF REVENUE PROJECTIONS 10/27/2017

2017 CROP	ESTIMATES			
	NASS		EU -TRQ	COL-Rice TRQ
ACRES	395,000		Spring 2018	Calendar Year 2017 YTD
YIELD	68			
TOTAL PRODUCTION	26,860,000			
CHECKOFF	\$ 0.05			
TOTAL COLLECTIONS	\$ 1,343,000.00			
REFEUNDS				
& SLIPPAGE (%) 10	\$ 134,300.00			
TRQ EU 2017			21,375	
COL-Rice 2017				1,581,101
REVENUE ESTIMATE	\$1,208,700		\$21,375	\$ 1,581,101

Table 2. Unencumbered Balances

UNENCUMBERED BALANCE 6/30/17	FUNDS			
	CHECKOFF & VD	TOTAL	EU -TRQ	COL-Rice TRQ
	76,335.47	\$ 2,216,618	45,695	2,094,588
TOTAL FUNDS	\$ 76,335		\$ 45,695	\$ 2,094,588

TABLE 3. PROJECTED BUDGET RICE RESEARCH BOARD 2016-2017.

UNENCUMBERED BALANCE 6/30/17	FUNDS			
	CHECKOFF & VD	TOTAL	EU -TRQ	COL-Rice TRQ
ESTIMATED REVENUE	76,335	\$2,216,618	45,695	2,094,588
INTEREST INCOME	1,208,700		21,375	50,804
COL- Rice TRQ 10/15 AUCTION EST.	1,000			3,000
FUNDS AVAILABLE	\$ 1,286,035		\$ 67,070	\$ 2,148,392
EXPENSES				
LDAF	12,000			
OPERATING EXPENSES				
STATE AUDIT	2,910			
PROFESSIONAL FEES	3,600			
LEGAL EXPENSES	0			
PRINTING	2,500			
MISCELLANEOUS	1,000			
USA RICE FEDERATION	16,000			
USA RICE FOUNDATION	5,000			
TOTAL OPERATING EXP.	31,010			
TOTAL EXPENSES	43,010			
NET FUNDS AVAILABLE	1,243,025		67,070	2,148,392
TOTAL COMBINED FUNDS		\$3,458,487		

TABLE 4. RESERVE POLICY ADOPTED 11/4/14.

Reserve Established by Col-Rice TRQ Funds	<u>\$1,500,000</u>
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TABLE 5. LSU AGCTR 2018 PROJECT FUNDING AND PROJECTED YEAR-END RESERVES (6/30/18).

	CHECKOFF & VD	TOTAL	EU -TRQ	COL-Rice TRQ
TOTAL NET FUNDS AVAILABLE FOR 2018 PROJECTS	1,243,025	3,458,487	67,070	2,148,392
LSU AGCTR 2018 PROJECTS				
CONTINUING	1,243,025		32,588	596,511
NEW	0	0		0
TOTAL	1,243,025		32,588	596,511
COMBINED TOTAL		1,872,124		
TRQ RECOMMENDATIONS				
Project List LSU				580,000
TOTAL LSU				1,176,511
Market Research proj.				17,000
USA RICE FOUNDATION TOTAL				1,193,511
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PROJECTED NET	0		34,482	358,370
TOTAL NET		\$392,852		0
TRQ RESERVE				\$1,500,000
UNENCUMBERED RESERVES (6/30/17)	0		34,482	\$1,858,370

LSU 2018 Contract by Fund Type	1,243,025		32,588	\$1,176,511
TOTAL		\$2,452,124		