

# MINUTES

## LOUISIANA RICE RESEARCH BOARD

Crowley, Louisiana  
October 29, 2012

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**MEMBERS PRESENT:** Jackie Loewer, Richard Fontenot, Donald Berken, Clarence Berken, Johnny Hensgens, Brian Wild, Fred Zaunbrecher, Bobby Miller, Sammy Noel, Dane Hebert, Ronnie Sonnier and Damian Bollich

**MEMBERS ABSENT:** Jason Waller

**OTHERS PRESENT:** Steve Linscombe, Kyle McCann, Bruce Schultz, Rogers Leonard, John Russin, Don Growth, Paul Corriel, Linda Zaunbrecher, Wayne Zaunbrecher, Nicole DeJean and Frankie Gould

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Following the research project reports, Jackie Loewer called the business meeting to order.

**ACTION #1** A motion was made by Johnny Hensgens, seconded and carried, to approve the minutes of the previous meeting as presented.

Jackie Loewer then presented an award to Linda Zaunbrecher for her years of dedicated service to the Board.

The meeting agenda was reviewed and some agenda items were moved up to accommodate attendees.

**ACTION #2** A motion was made by Richard Fontenot, seconded and carried, to accept the changes and approve the agenda.

Kyle McCann then reviewed the new annual requirement for ethics education and training. Beginning 2012, each Board member must complete one hour of education and training on the Code of Governmental Ethics annually during his term of office. Courses are offered throughout the year and are also available online at [www.ethics.la.gov](http://www.ethics.la.gov).

Next, Frankie Gould with the LSU AgCenter gave an update and reviewed the Board's annual rice research report. She covered some of the articles that would be included and discussed the timing of the publication. Enough copies would be produced to mail to the LSU AgCenter's rice grower list, interested parties, extension offices and grower meetings. The publication would be produced in time for all the grower meetings.

Jackie Loewer then reviewed past discussions and activities related to intellectual property (IP) rights issues. In order to help move this issue forward he expressed the need to appoint a committee to deal with this issue going forward. The committee would explore all questions on what can be done and how the Board address future IP issues does. He appointed the executive committee (Jackie Loewer, Clarence Berken, and Richard Fontenot) and three other Board members: Ronnie Sonnier, Dane Hebert and Brian Wild.

**ACTION #3** A motion was made by Richard Fontenot, seconded and carried, to conduct an executive session.

The Board conducted a joint executive session with the Louisiana Rice Promotion Board to discuss legal matters.

**ACTION #4** A motion was made by Dane Hebert, seconded by Ronnie Sonnier and carried to end the executive session.

Next, new Board members that recently received their appointment and had not already completed their forms and taken their oaths of office did so with a Notary in attendance, Nicole DeJean.

Kyle McCann then presented the LDAF September collections report and reviewed the year to date collections. While funds are currently not being transferred to the Board, the LDAF has collected \$316,831.75 in assessments since July. For the month of September \$124,521.40 was collected.

Next Kyle McCann reviewed the Independent Accountant's Report on Applying Agreed-Upon Procedures conducted by Griffin & Company, LLC as required by the Legislative Auditors Office. The Legislative Auditors Office contracted for this type of review instead of an audit which looks at the operation and procedures of various public entities. There were no negative financial findings. While the Board followed all applicable State policies, the firm did suggest clarifications to the written procedures and accounting responsibilities. The Board then reviewed an amended draft of written policies and procedures. The written policies were initially developed from how the Board operates and is meant to document their procedures. The Board discussed each of the suggested amendments.

**ACTION #5** A motion was made by Richard Fontenot, seconded and carried, to approve the amended written policies and procedures (attached).

Scott Soileau then reviewed the June 30, 2012 financial operating report and the current financial position of the Board. The Board briefly discussed their financial position and the ability to pay contractual obligations.

**ACTION #6** A motion was made by Dane Hebert seconded and carried, to receive the financial reports.

Jackie Loewer then reviewed the Columbian rice TRQ process and potential income that will be distributed to the various state rice research boards. The funds are to be used for research and could be forth coming as soon as mid 2013 if all parties in the Col-Rice TRQ agree.

The Board then discussed legal considerations.

**ACTION #7** A motion was made by Dane Hebert seconded and carried, to appoint the Executive Committee to meet jointly with the Promotion Board representatives to meet with potential legal council for representation and make recommendations to the Board.

Kyle McCann then reviewed the assessment income estimates for this year's crop, reserve balances as of 6/30/12 and the board's operational budget estimates for FY 2013. After some discussion and agreement on the income estimates, the board discussed the possible cost of legal matters and the timing of payments to the LSU AgCenter.

**ACTION #8** A motion was made by Richard Fontenot, seconded and carried, to allocate \$100,000 in the operational budget for potential legal fees.

**ACTION #9** A motion was made by Richard Fontenot, seconded and carried, to change the payment terms to have payments due at the end of each quarter in next year's (2013) LSU AgCenter contract.

The total research project funding request for 2013 and the implications on projected reserves was discussed.

**ACTION #10** A motion was made by Richard Fontenot, seconded and carried, to lower the reserve allocation by \$100,000 for this year.

The Board then reviewed the continuing and new research project requests and considered their funding levels.

**ACTION #11** A motion was made by Dane Hebert, seconded and carried, to fund the continuing projects at ten percent below their 2012 levels. The motion was amended by Richard Fontenot and approved to add the new project by Weindorf, "Rapid, On-Site Evaluation of Soil Salinity and Zn Deficiency" at 10% below the funding request.

Total project funding with the LSU AgCenter was set at \$1,367,622 with total TRQ funding set at \$ 57,262 and total check off funding set at \$1,310,360. Projected ending reserves for 6/30/13 were estimated to be \$ 382,679. See attached budget and project list. Due to recent changes at LSU regarding grants, the Board was informed that while tuition has never been paid out of these funds for graduate students or other students working on these projects all future contracts must clearly state that no funds are to be used for tuition.

**ACTION #12** A motion was made by Richard Fontenot, seconded and carried, to renew the LSU AgCenter contract for 2013 at the established levels and with the addition language stating that no funds can pay for student tuition.

**ACTION #13** A motion was made by Fred Zaunbrecher, seconded and carried, to approved the necessary contracts for the amounts contained in the approved budget and project list with the following: USA Rice Federation, Rice Foundation, Dugas Soileau & Breaux, LLC, and Kyle McCann.

The Board then briefly discussed the IP Committee's future meeting and scope of work. They would meet with LSU AgCenter personnel to begin working on this task as soon as possible.

Jackie Loewer and others then gave an update on the USA Rice Federation and Producer Group activities. The farm bill consideration, the various task force efforts and the COL-Rice TRQ activities were mentioned as well as the upcoming Rice Outlook Conference.

Dr. Linscombe gave a brief update on the Rice Station activities. The Board asked that the LSU AgCenter administration express the reasons for the cut in funding to the project leaders and to express the Board thanks for their efforts and accomplishments. The Board expressed their approval of how the format for reviews was conducted. Dr. Linscombe also reviewed the DRC 1339 project and the Wildlife Services, USDA, participation in a supervisory role in the black bird work.

There being no additional business the meeting was adjourned.

**Table 1. CHECKOFF REVENUE PROJECTIONS 10/26/2012**

	ESTIMATES	
	NASS	TRQ
ACRES	400,000	
YIELD	64	
TOTAL PRODUCTION	25,600,000	
CHECKOFF	0.05	
TOTAL ASSESSMENTS	1,280,000	
SLIPPAGE (10%)	128,000	
TRQ EU		18,900
COL-Rice		
<b>REVENUE ESTIMATE</b>	<b>\$1,152,000</b>	<b>\$18,900</b>
<b>COMBINED INCOME ESTIMATE</b>	<b>\$1,170,900</b>	

**TABLE 2. UNENCUMBERED FUNDS BY SOURCES 2012-2013.**

	FUNDS	
	CHECKOFF	TRQ
UNENCUMBERED BALANCE 6/30/12	651,650	66,851
ESTIMATED REVENUE	1,152,000	18,900
INTEREST INCOME	2,500	
<b>TOTAL FUNDS</b>	<b>\$1,806,150</b>	<b>\$85,751</b>

**TABLE 3. PROJECTED BUDGET RICE RESEARCH BOARD 2012-2013.**

	FUNDS	
	CHECKOFF	TRQ
UNENCUMBERED BALANCE 6/30/12	651,650	66,851
ESTIMATED REVENUE	1,152,000	18,900
INTEREST INCOME	2,500	
<b>FUNDS AVAILABLE</b>	<b>1,806,150</b>	<b>85,751</b>
<b>EXPENSES</b>		
LDAF	12,000	
OPERATING EXPENSES		
STATE AUDIT 2013	1,500	
PROFESSIONAL FEES	3,600	
LEGAL FEES	100,000	
PRINTING	2,500	
MISCELLANEOUS	1,000	
USA RICE FEDERATION	16,000	
USA RICE FOUNDATION	5,000	
TOTAL OPERATING EXP.	129,600	
<b>TOTAL EXPENSES</b>	<b>141,600</b>	
<b>NET FUNDS AVAILABLE</b>	<b>1,664,550</b>	<b>85,751</b>
<b>TOTAL COMBINED FUNDS</b>	<b>\$1,750,301</b>	

**TABLE 4. RESERVE POLICY ADOPTED 11/18/03.**

**"MAINTIAN A MINIMUM RESERVE OF 25 % OF TOTAL EXPENDITURES"**

TOTAL EXPENSES FY 12	<u>\$1,524,637</u>
MINIMUM RESERVE	<u>\$381,159</u>

**TABLE 5. LSU AGCTR 2012 PROJECT FUNDING AND PROJECTED YEAR-END RESERVES (6/30/13).**

	CHECKOFF	TOTAL	TRQ
TOTAL FUNDS AVAILABLE		1,750,301	
LESS RESERVE		281,159	
TOTAL NET FUNDS AVAILABLE FOR 2013 PROJECTS	1,383,391	<u>1,469,142</u>	85,751
LSU AGCTR 2013 PROJECTS			
CONTINUING	1,278,185		57,262
NEW	32,175		
TOTAL	<u>1,310,360</u>		<u>57,262</u>
COMBINED TOTAL		<u>1,367,622</u>	
CHANGE IN RESERVES	<u>73,031</u>		<u>28,489</u>
TOTAL PROJECTED RESERVES (6/30/13)	<u>354,190</u>	<u>\$382,679</u>	<u>28,489</u>