

Draft

LOUISIANA RICE RESEARCH BOARD

Crowley, Louisiana

June 29, 2015

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

**MEMBERS ABSENT:** None

**OTHERS PRESENT:** Steve Linscombe, Kyle McCann, Bruce Schultz, Randy Jemison Rogers Leonard, Scott Soileau, Eric Webster, Chris Krielow, Carrie Castile, Adam Formoso and Carl Krielow

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Chairman, Jackie Loewer called the business meeting to order. Chairman Loewer asked members to review the agenda.

**ACTION #1** A motion was made by Phillip Lamartiniere, seconded and carried, to approve the agenda as presented.

The next agenda item was the consideration for an executive session. No executive session was requested. The minutes of the previous meeting had been mailed out and were next considered.

**ACTION #2** A motion was made by Brian Wild, seconded and carried, to approve the minutes of the previous meeting as presented.

Next, Kyle McCann presented the LDAF May 2015 assessment collections report. For the month assessment collections were \$121,929.33. The year to date assessment collections were \$1,314,001.46 and year to date refunds were \$71,941.62 for a rate of 5.48%.

Scott Soileau then reviewed the May 31, 2015 financial operating report and discussed the current financial position of the Board. The Board discussed their financial position and the current fund balances by type.

**ACTION #3** A motion was made by Richard Fontenot, seconded and carried, to receive the May 31, 2015 financial report.

Chairman Loewer then presented the Col-Rice ETC report. The Col-Rice ETC is a tax exempt entity that administers the Col-Rice TRQ. They recently held their annual

meeting. Representation is from both the US (50%) and Columbia interests (50%) with each having 8 votes. The Columbian members are vertically integrated and want access limited to certain months removed from their harvest. Three auctions are held annually (February, June and October) and audited by the company and the certificate prices reflect the market conditions. Louisiana receives 13% of the income from the U.S. share. More information on the entire process is available at <http://col-rice.org>. Chairman Loewer currently serves as the director representing Louisiana. The Board then considered the Col-Rice ETC director for Louisiana.

**ACTION #4** A motion was made by Richard Fontenot, seconded and carried, that Jackie Loewer serve as the Col-Rice ETC director for Louisiana.

The Board then discussed the use of Col-Rice funds. At the last meeting the Board decided to endow a Chair with the LSU Foundation. The Board of Regents would match the Board contribution of \$600,000 with \$400,000. The annual investment revenue would then be provided to the scientist receiving the Chair. The Board would need to establish the specifications for the award and the type of work to be conducted. The normal contract process with the state (OCR) does not fit with the structure of this endeavor. Also the match provided by the Board of regents requires that the contribution for the endowment not be from state funds. While the funds obtained through the Columbian TRQ system are not state funds, once funds are forwarded to the Board and are under its control they may be deemed state funds since the Board is a state governmental entity. The Board discussed various issues and wanted to continue to explore ways to still move forward on an endowment and seek the leverage of funds. One possible way to address the issue discussed was for the Col-Rice ETC to establish the endowment with the LSU Foundation. They would fund it directly rather than sending it to the Board and establish the specifications based upon recommendations from the Board. The Board agreed to move forward with this approach and to get an opinion attached to it.

**ACTION #5** A motion was made by Sammy Noel, seconded and carried, that the endowment of a chair by the Col-Rice for Louisiana with the LSU Foundation be approved subject to approval by an attorney.

A southwest regional director report was then presented. Steve Linscombe reported on the Rice Research Station activities and the efforts of the scientists. He introduced the new rice breeder, Adam Formoso, Mr. Formoso briefly spoke on the opportunity and gave some personal background. Steve Linscombe also discussed the AV-1011 issue as well as the Black Bird Control Program with Wildlife Services that utilizes DRC-1339. A section 18 has been obtained for AV-1011 every year since 2009 but the company has now filed for a full section 3 registration. He also indicated that the Board will honor the retiring Board members, Bobby Miller and Johnny Hensgens, at the field day.

Chairman Loewer then gave a brief legal issues update. Essentially the Louisiana Supreme Court sent the case back to Judge Clark. The parties are now waiting on the Judge to rule. Chairman Loewer was asked how the legal expenses are funded. The USA Rice Federation has been paying all the legal expenses.

Chairman Loewer then gave a USA Rice Producers Group report. He reviewed the farm bill activities as well as the PLC projected payment of approximately \$2.00 per hundred weight. He also covered other issues such as the TPP and other trade matters.

Chairman Loewer called on Steve Linscombe to report on the Rice Foundation activities. He reported on the arsenic research project and the critical issues it addresses.

Richard Fontenot next presented the Intellectual Property committee report. He indicated that the committee has not met yet and that BASF leadership is in transition. He indicated they would be meeting in the future and will be considering the MOU with the LSU AgCenter again.

Michael Fruge then reported on a branding task force initiative. The LRGA got a group of growers and millers together to help find a way to take advantage of Louisiana's rice quality and market a brand for Louisiana produced rice. They are looking at a group of varieties that would meet a standard they set so that the quality of our rice would receive a premium based upon the branding efforts.

Next Kyle McCann provided a handout and reviewed the required education and training on ethics for Board members as required by the State of Louisiana. He then reviewed the process necessary to have the USDA CCC collect assessments when rice is placed into their loan program. This historically had been done under an MOU with the CCC but was terminated upon the Supreme Court's ruling. Now that the law has been changed it can be reinstated upon a request of the Board accompanied by an opinion by the Attorney General of Louisiana. While the law authorizes this process an AG's opinion is necessary for USDA to move forward.

**ACTION #6** A motion was made by Dan Hebert, seconded and carried, that the Board officially request an AG opinion on this matter as requested by the USDA and to reinstate the collection of assessments on rice placed under CCC loan.

The Board then discussed the next meeting. The tentative date selected was November 4, 2015 and the same format as last year would be used.

**ACTION #7** A motion was made by Donald Berken, seconded and carried, that the next meeting be held on November 4, 2015 utilizing the previous year's all day format.

The Board was then informed by Kyle McCann that the State, specifically the Louisiana Legislative Auditor's Office staff, would be conducting the biannual audit of agreed upon procedures.

Frankie Gould then reviewed the timeline for the annual report and asked for input from the Board regarding the report.

The public comment period was then conducted.

Carl Krielow commented on intellectual property (IP) issues. He asked a question regarding the sharing of royalty dollars between the Board and the LSU AgCenter. He also questioned the future direction of the Board regarding action on the IP issue. Karl Krielow commented that a policy should be developed between the Board and the LSU AgCenter.

**ACTION**      A motion to adjourn was made by Dane Hebert, seconded and carried.  
**#8**

The meeting was adjourned.