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Board Meeting Notice

Sent and posted November 22, 2017

Via Teleconference Call

DATE: **Thursday, December 7, 2017**
TIME: **09:30 A.M. - 2:30 P.M.**
ACCESS NUMBER: +1 408 638 0968 (US Toll) or +1 646 558 8656 (US Toll)
PASSCODE/ Meeting ID: 466 870 1284
Or Join with the link: <https://zoom.us/j/4668701284>
LOCATION: Ontario Airport Hotel & Conference Center
700 N Haven Ave.
Ontario, CA 91764

*Board Members wishing to participate in the meeting VIA TELECONFERENCE CALL must notify Crystal Sandoval via email to (csandoval@californiawheat.org) or by Fax to (530) 661-1332 at least 24 hours prior to the listed meeting. **Failure to do so will disqualify you from participation.***

AGENDA

- 09:30 a.m. I. Call to Order
- Roll Call/Establish Quorum
- 09:40 a.m. II. Introduction of Guests
- 09:45 a.m. III. Public Comment
- 09:50 a.m. IV. Approval of Agenda
- 09:52 a.m. V. Approval of Previous Board Meeting Minutes
- August 30, 2017
- 09:55 a.m. VI. Acceptance of Previous Committee Minutes
- August 17, 2017 Research Committee
 - August 25, 2017 Audit Committee
- 10:00 a.m. VII. Commissioner Reports
- 10:30 a.m. VIII. Staff Reports
- 10:45 a.m. IX. Market Development/Outreach
- Collaborators Meeting Report
 - California Mills Presenters



- Other Updates
- 12:00 p.m. ADJOURN FOR LUNCH
- 01:00 p.m. X. Research Updates
- Jorge Dubcovsky - Wheat Breeding Update
 - Mark Lundy - Wheat Testing Update
- 01:20 p.m. XI. Financial Reports
- FY 17/18 YTD Income/Expense Report
 - Cash Flow Statement through 11/30/17 & CDs and Money Market
 - Vacation Accrual Report
- 01:50 p.m. XII. CAWG Written Report
- 02:20 p.m. XIII. Public Comment
- Closed Session
Closed session, if necessary, pursuant to California Government Code 11126(a) regarding the appointment, employment, evaluation of performance, or dismissal of an employee. Closed Session, if necessary, regarding pending litigation pursuant to Government Code Section 11126(e).
Return to open session and announce action taken in closed session, if any.
- 02:25 p.m. XIV. Set Next Meeting Date - April 3, 4, or 5, 2018 - Proposed
- 02:30 p.m. ADJOURN MEETING

Note: The times listed for each agenda item are estimated and subject to change. It is possible that some of the agenda items may not be able to be discussed prior to adjournment. Consequently, those items will be rescheduled to appear on a subsequent agenda.

All agenda items are subject to discussion and possible action. All interested parties are invited to attend the meeting. Time will be allowed for members of the public to make comments on each agenda item (up to 2 minutes). To make a request for more information, or to make a request regarding a disability-related modification or accommodations for the meeting, please contact Isabel Alvarado at 530-661-1292, or 1240 Commerce Ave., Ste. A, Woodland, CA 95776, or via email at irivera@californiawheat.org. Requests for disability-related modification or accommodation for the meeting should be made at least 48 hours prior to the meeting time. This notice and agenda is available on the Internet at www.californiawheat.org.

ROLL CALL

DISTRICT	1:	Commissioner: Alternate:	<u>John Walker</u> <u>Bryce Crawford</u>
DISTRICT	2:	Commissioner: Alternate:	<u>Bill Cruickshank</u> <u>Larry Hunn</u>
DISTRICT	3:	Commissioner: Alternate:	
DISTRICT	4:	Commissioner: Alternate:	<u>Dennis Pelucca</u> <u>Augie Scoto</u>
DISTRICT	5:	Commissioner: Alternate:	<u>Nathanael Siemens</u>
DISTRICT	6:	Commissioner: Alternate:	<u>Scott Schmidt</u>
DISTRICT	7:	Commissioner: Alternate:	<u>Mike Carlisle</u> <u>Jordan Parsons</u>
DISTRICT	8:	Commissioner: Alternate:	<u>Jim Parsons</u> <u>Kirk Elholm</u>
DISTRICT	9:	Commissioner: Alternate:	<u>Ron Rubin</u> <u>Roy Motter</u>
HANDLER	1:	Commissioner: Alternate:	<u>Chris Spulock</u> <u>Mark Mezger</u>
HANDLER	2:	Commissioner: Alternate:	<u>Michael Edgar</u>
AT LARGE	1:	Commissioner: Alternate:	<u>Lee Jackson</u>
PUBLIC:		Commissioner: Alternate:	<u>Steve Windh</u> <u>Damon Sidles</u>



Approved by the Board _____

**CALIFORNIA WHEAT COMMISSION
Board Meeting
Yolo County Farm Bureau
69 W Kentucky Ave.
Woodland, California**

MINUTES OF August 30, 2017

Opening Business

The meeting was held at the Yolo County Farm Bureau in Woodland.

Call to Order

The meeting of the California Wheat Commission was called to order by Steve Windh at 10:06 AM on Wednesday, August 30, 2017, in Woodland, California.

Roll Call

Roll Call was conducted and a quorum was established. Members present for all or part of the meeting included:

- District 2: Bill Cruickshank
Larry Hunn (Alternate)
- District 4: Dennis Pelucca
Augie Scoto (Alternate)
- District 5: Nathanael Siemens
- District 7: Mike Carlisle
- District 8: Jim Parsons - arrived 10:35
Kirk Elholm (Alternate)
- District 9: Roy Motter
- Handler 1: Chris Spurlock
- Handler 2: J.W. Cope
Michael Edgar (Alternate)
- At Large 1: Lee Jackson
- Public: Steve Windh

A quorum was present. Refer to roll call list above for determining attendance for unanimously passed motions.

Commissioner Elections

Steve Windh reported on commissioner elections results.

Commissioner

District 5
District 8

Nathanael Siemens
Jim Parsons

Introduction of Guests

Guests present for all or part of the meeting included: Kacie Fritz, CDFA, Jorge Dubcovsky, UC Wheat Breeder.

Approval of Agenda

#1 MOTION WAS MADE BY ROY MOTTER AND SECONDED BY BILL CRUICKSHANK TO APPROVE THE AGENDA. MOTION CARRIED UNANIMOUSLY WITH NO ABSTENTIONS.

Officer Elections

Steve Windh gave the Nominating Committee report on officer elections.

#2: MOTION WAS MADE BY ROY MOTTER AND SECONDED BY JW COPE TO ACCEPT THE SLATE OF OFFICERS PRESENTED BY THE NOMINATING COMMITTEE (CHAIRMAN STEVE WINDH, VICE CHAIRMAN BILL CRUICKSHANK, SECRETARY/TREASURER RON RUBIN). MOTION CARRIED UNANIMOUSLY.

Approval of Previous Board Meeting Minutes

#3: MOTION WAS MADE BY BILL CRUICKSHANK SECONDED BY ROY MOTTER TO APPROVE SUMMARY AND RECOMMENDATIONS OF THE APRIL 12, 2017 MEETING, AND APRIL 24, 2017 CONFERENCE CALL BOARD MEETING. MOTION CARRIED UNANIMOUSLY WITH NO ABSTENTIONS.

Approval of Previous Committee Minutes

#4: MOTION WAS MADE BY BILL CRUICKSHANK SECONDED BY ROY MOTTER TO APPROVE THE MINUTES OF THE APRIL 4, 2017 EXECUTIVE COMMITTEE. MOTION CARRIED UNANIMOUSLY WITH NO ABSTENTIONS.

Commissioner Reports

Michael Edgar - Durum market is flat due to the harvest in the northern plains. Drought in Eastern Montana and Western North Dakota affected growers in that area. US Yields have been cut by half from last year. Only going to cut about 50 – 52 million bushels. The issue right now is that Canada is harvesting and the border region in that dry area was impacted. Pricing is up to 8 to 8.5 per bushel and yields were off by 10 percent. Not sure how it will affect the commission, there were few acres planted in imperial valley and quality was better than average.

Larry Hunn – No one in our area had any wheat. Hunn attended a listening session in Modesto for the farm bill along with Nick Matteis. Hunn testified in regards insurance and safety net issues.

Mike Carlisle – Wheat is pretty good dryland area. Kings county everything there is going for grain chop (Dairy).

Dennis Pelucca – Stockton region, most of the wheat fields, all went for grain trade. Yields were impacted due to the wet weather and proteins were outstanding. A lot of conversions to trees. One thing that has impacted the commodities is the excessive number of almond hauls. There are some fields that are going to Alfalfa. Tomato has slowed down, there are a few fields that would have gone into tomato but due to the excessive amount carryover, went into wheat.

Bill Cruickshank – Cruickshank reported that in this area it's a comparable situation to Dennis Pelucca. Average yields.

Roy Motter – Durum crop acreage was way off. Yields were down slightly due to the weather, but protein was up. Coming year Motter will have more wheat on his farm due to the irrigation districts fallow program. The prices have firmed a little bit, we will see what happens in Canada.

Steve Windh – Reported on recent information Claudia Carter received. One of the major mills in Los Angeles had been working with Central San Joaquin handlers and due to the quality issues, they are moving away from CA wheat. When Carter learned about this issue she immediately contacted other handlers and confirmed what she had learned. Carter and Windh will be visiting mills in Los Angeles. Windh and Carter also believe that this mill might have received a from direct shipment of grain that does not have good milling quality. Windh added that general assumption of grain trade in CA is that the grain is harvested at farm level and then moved to an elevator system. Once the wheat is in the elevator it goes through a cleaning and then its shipped to the mills. Carter pointed out that it's not uncommon to go from the farm to the mill.

Chris Spurlock also commented that he assumed that they were talking about ADM. He also added that there was never a problem when Bob French was alive, once he passed away they moved all the buying back to Kansas and shut off CA. Spurlock suggests that the commission needs to focus on these mills and if the mills don't want to deal with CA wheat, then they should be moved and replaced with mills who will purchase CA Wheat. Lastly, Spurlock said that the current approach CWC has been doing has not worked so changes need to be made.

There was a long discussion on the economics and supply availability. Michael Edgar asked where CA is in terms of wheat quality compared to ten, fifteen years ago. Carter responded that she could talk about quality and different varieties. Carter also mentioned that she learned from the handlers that volume and availability could also be an issue why mills are staying away from CA Wheat. JW Cope mentioned that in the PNW they have a preferred variety in an official document format. Carter stated that is exactly what takes place at the Collaborator program every year.

Chris Spurlock – Wheat yields were down, high protein.

Nathanial – Recently moved to San Benito County and is currently working with heirloom varieties.

Augie Scoto – Chowchilla, Merced areas everyone is growing wheat for seed. It's a rotational crop.

JW Cope – Crop is pretty good with great winter moisture and good water supply. Soft white winter wheat was strong with strong yields and an average of 4 tons per acre. Cope added that the wheat market is currently horrible. There was some hard-red winter wheat with good yields and protein close to excellent.

Jim Parsons – The irrigated land turned out well. Dryland did well with 1500 pounds an acre. The problem is price, sold some wheat and kept some. Parsons also added that he took a chance at planting organic wheat because he was told he would get twice the price of wheat. Finished receiving only \$60.00 above price.

After all, commissioners gave their report chairman Steve Windh brought to the board a non-agenda item in regard to District 8. Steve reported that Jim Parsons is the new district 8 member and alternate position is currently vacant. Windh stated that with a motion the board could assign Kirk Elholm as alternate for district 8.

#5: MOTION WAS MADE BY DENNIS PELUCCA AND SECONDED BY JW COPE TO ACCEPT STEVE WINDH RECOMMENDATIONS AND ASSIGN KIRK ELHOLM AS ALTERNATE MEMBER FOR DISTRICT 8. MOTION CARRIED.

Audit Report

Ron Ley of Damore, Hamric, and Schneider, Inc reported on the FY 16/17 audit.

Ley informed that there were no significant audit findings and no difficulties working with staff. There were two suggested journal entries while conducting the audit that was a reclassification of a couple items.

On the Income statement, assessment revenue was down from \$850,00 last year vs. this year \$765,000. Other revenue such as lab analysis and crop quality increased this year \$94,000 vs. last year \$69,000. Total operating revenue this year was \$867,000 compared to \$925,000 last year. Revenue expenses decreased this year from \$840,000 vs. \$930,000 from last year. The net increase of the end of the year was positive \$31,000 compared to last year negative (\$1,000). Net position, end of year \$1,041,899.

Current assets, this year \$934,000 vs. \$896,000 last year. Property and equipment were \$153,169 with a total asset of \$1,087,000 end of the year.

Total Current and Total liabilities increased this year from \$46,0526 compared to last year \$43,906. Net position invested capital assets was \$153,000 and unrestricted \$888,730.00. Financial position for the year, there was a decrease in cash and increase in investments. Revenues exceeded proposed budget by \$194,000 and a positive decrease in expenses of \$54,000.

#6: MOTION WAS MADE BY BILL CRUICKSHANK AND SECONDED BY ROY MOTTER TO ACCEPT THE AUDIT REPORT. MOTION CARRIED.

Wheat Breeding Update

Jorge Dubcovsky reported that HWS Patwin-515HP foundation seed was allocated in 2016 and commercial seeds should be available this year for planting. It produces more protein and a slightly better yield than Patwin-515. Dubcovsky also talked about exclusive varieties that have mutations in the Starch Branching Enzyme genes that result in a 10-fold increase in resistant starch. Limagrain has five patents in the USA covering this gene so the only option we have is to release them as exclusive releases. They will pay royalties and research fees to the UCD Wheat Breeding program and will respect the three-year California Advantage in the production of seed. Dubcovsky also talked about multiple releases, UC1836 HRS. This is the HRS UCD variety Lassik with five *sbellab* mutations in the A, B and D

genomes. UC1837 HWS UCD variety Patwin 515HP with five *sbellab* mutations in the A, B and D genomes. This variety has strip resistance genes Yr5, Yr15 and Yr36 and the high grain protein gene. UC1848 Durum UCD variety Desert King with four *sbellab* mutations in the A and B genomes. This variety also has two genes for increased yellow pigment, a gene for reduced cadmium and the high grain protein gene. UC1850 a Durum, tentative name Desert Gold. This is a Desert King with the gene for low cadmium and the two genes for increased yellow pigment. UC1817 Common wheat. This is a hard-red spring with higher yield potential than UC-Yurok and less lodging problems. Its yield is like Cal Rojo, Redwing and Summit 515. Also has an excellent bread-making quality.

Dubcovsky informed the board that the material is ready and would like to produce seed this year. He would like to talk to grain dealers to see if they would be interested in planting a couple of strips and see if they like it. Jorge also added that when he prepares PVP paperwork he will send it to Carter for review. Carter also mentioned that when she was learning about how Jorge Dubcovsky's and Mark Lundy's program worked and how varieties were being released even though the commission performs all the quality testing, the commission did not have a say on varieties being released. Carter communicated to Jorge and let him know that she would like to be involved in making decisions on varieties he is releasing, specifically in quality. Carter added that she wants to have varieties released that have yield potential but also protein and quality that the mill needs, otherwise, why to release varieties that do not work. Dubcovsky does not have a problem with Carter being involved in this process. Last, Dubcovsky asked the commission if they would like to make a public release or an exclusive release with the new varieties presented.

Lunch 12:19

Back at 12:45

Research Committee

Lee Jackson gave research committee report. Jackson stated that it doesn't matter to Dubcovsky if another committee is added for releasing a variety. There was also discussion on exclusivity, seed handlers had their pros and cons. Another factor mentioned was that if the industry would really want to have a variety hang out for that many year which would take a seed dealer to gain profit. A better option would be to release varieties on a shorter basis that is always improving the crop. Jackson added that releasing varieties every couple of years would probably be beneficial for the state. No decisions were made at the research committee meeting. Steve Windh stated that the challenge is how do we promote quality of California wheat. The goal is to have a high quality and high yield food wheat. Jim Parsons asked Carter how does California compare to the Dakota's. Carter mentioned that California has a high-quality durum and lower quality winter wheat because California does not reach the high proteins like in the Dakota's. There was an extensive discussion on all the factors about the quality and what the mills are looking for. Carter's plan is to visit mills and see why they are not purchasing California wheat, what is their perception. Carter's main goal is to better understand and gather information.

Administrative Issues/Discussion Items

Staff Reports

Isabel Rivera gave an update on handler audits. After April meeting, the litigation case that the commission had pending was dropped. Handler was notified, and we closed the books on our end. We also had two handler audits that were conducted during 16/17 FY and there was one finding for a total of 3,200.00. Handler paid upon receipt so there were no interest or penalties added. Rivera also added that for FY 17/18 the commission plans to conduct two random audits. Also informed to the board that the condominium association contacted the commission to talk about re-coating the roof for the entire building. Each member of the association would be responsible for their own share. Rivera presented the board with two quotes, one for 10-year warranty at 4,500.00 and a 20-year warranty at 7,000.00.

There is an association meeting on September 21, 2017, where the commission will report to the association if they agree to re-coat their part. Windh asked more details of why the roof needs to be re-coated. Rivera explained that the roof had been inspected and there is damage and the roof has not been re-coated since 2001.

#7: MOTION WAS MADE BY ROY MOTTER AND SECONDED BY JIM PARSONS TO APPROVE STAFF TO SPEND UP TO 10,000 ON ROOF REPAIR. MOTION CARRIED.

Rivera also gave an update on the office carpet replacement. Carpet will not be replaced, instead, the carpet will be stretched. It has been scheduled for the office area and the cost will be about 1,500 to 2,000. Lastly, Rivera stated that the lab's 20-year unit AC Unit has broken down three times during the summer and needs to be replaced. Board approved to have the unit replaced and commented that staff comfort is very important.

#8: MOTION WAS MADE BY ROY MOTTER AND SECONDED BY MIKE CARLISLE TO ADD \$10,000 TO THE BUDGET FOR A NEW AC UNIT. MOTION CARRIED.

Claudia Carter reported to the board that she has been meeting with handlers to understand how they operate and what they do and building relationships. Carter has also met with Osvaldo, Jorge Dubcovsky's breeder to understand how the program works. Carter wants to be more involved in reviewing varieties before they are released. Carter also talked about her trip to Arizona and Imperial Valley where she met with handlers and growers in the area. She also mentioned that California Wheat Commission staff attended the yearly farm connection day where they handed out 1,000 whole wheat chocolate chip cookies who visited the booth. Carter also spoke about the Chili Trade team that the commission hosted during their visit in California. Carter accompanied them to visit handlers and port of Stockton.

Carter said that her next project is to meet with Mills. Currently, Carter is also working on putting together the Collaborator meeting. To conclude, Carter mentioned that she has been working on a new website for the California Wheat Commission, to make it more user-friendly.

Financial Reports

F/Y 16/17 Income/Expense Final Report

Carter reported to the board that the end of the FY 16/17 there was a net income of \$31,000 and a net position, End of the year of 866,729.

#9: MOTION WAS MADE BY ROY MOTTER AND SECONDED BY BILL CRUICKSHANK TO ACCEPT THE F/Y 16/17 INCOME/EXPENSE FINAL REPORT AS PRESENTED. MOTION CARRIED.

F/Y 16/17 YTD Income/Expense Report

Carter went over accounts from current FY 17/18 up to date as of 8/15/17. Carter also informed the board that there was a higher refund percentage request for this year compared to other years. She also informed the board that as of 8/15/17 we have net income of 85,137.00.

F/Y 16/17 Budget Change Proposal

Carter presented her Budget Change proposal for 17/18. Carter proposed that refunds be increased to \$20,000, staff expense increased to \$3,000, office expense reduced by \$5,500, building maintenance increased to \$10,000, Trade Teams increased by \$300.00, and Laboratory capital expense increased by \$10,000.

#10: MOTION WAS MADE BY ROY MOTTER AND SECONDED BY BILL CRUICKSHANK TO ACCEPT THE BUDGET REPORT AND AMENDED BUDGET REPORT AS PRESENTED. MOTION CARRIED.

Cash Flow Statement, CDs and Money Market Accounts with Rates

Steve Windh mentioned to the board that cash flow statement and list of accounts were in the board book for informational purposes.

Windh also added that he wanted to commend Carter and staff for last year's performance and this year. He mentioned that with a downfall in revenue staff did an excellent job in expense control without impacting performance.

CAWG

Nick Matteis was not present. Larry Hunn and Jim Parsons gave a brief report on his behalf. Parsons informed the board that he attended a listening session in Modesto for the farm bill along with Hunn. There was also a discussion on the issue of the president's administration getting rid of FMD. Finally, Parsons stated that NAWG has a national wheat contest and would like to see more California growers involved.

USWA

Roy Motter attended the summer meeting representing California. Motter informed the board that long-term president Allen Tracy retired and was replaced by Vince Peterson and is confident he will do a stellar job. Motter also revealed that USW will be closing its Cairo office due to not being able to penetrate that market due to the massive increase in supply in the black sea area. USW is concentrating where they do have freight advantage in North America, South America, and Asia region. Motter also commented that USW has been focusing on revising the long-range plan.

Meeting Adjourned at 2:29 PM.

Respectfully submitted,

Isabel Rivera, Operations Manager

Approved by the Board on _____, 2017

Chairman, Steve Windh



Accepted by the Commission Board on _____

**CALIFORNIA WHEAT COMMISSION
Research Committee Meeting
Via teleconference**

MINUTES OF August 17, 2017

OPENING BUSINESS

Call to Order

A meeting of the Research Committee of the California Wheat Commission was held on Thursday, August 17, 2017, via teleconference call. Committee Chairman Ron Rubin called the meeting to order at 10:04 am.

Roll Call

Roll Call was conducted. Committee members present were:

Ron Rubin, Chairman
Lee Jackson
JW Cope
Jim Parsons
Larry Hunn
Roy Motter

A quorum was present. Lee Jackson, Jorge Dubcovsky joined Claudia Carter and Isabel Rivera on the teleconference call from the California Wheat Commission office.

Approval of Agenda

#1: MOTION WAS MADE BY LARRY HUNN AND SECONDED BY JIM PARSONS TO ACCEPT THE AGENDA. MOTION CARRIED WITH NO ABSTENTIONS.

Approval of Minutes

#2: MOTION WAS MADE BY LARRY HUNN AND SECONDED BY LEE JACKSON TO APPROVE APRIL 11, 2017 MEETING MINUTES. MOTION CARRIED WITH NO ABSTENTIONS.

Wheat Variety Review Committee

Jorge Dubcovsky explained to the Research committee that when a breeder has a material to release, it is sent to the director of the committee for review. The committee reviews if the variety has merits if there is any liability for the university and if they have a good chance of recovering expenses that incur by the release. If everything looks good then they give their approval and the dean signs it. Once signed the variety goes to the office of technology transfer that initiates the legal process sent to the legal process that is sent to a legal company in San Francisco that sends to PVP. CCIA also has its own review committee and review separately. Claudia Carter asked what does CCIA do and look for. Lee Jackson commented that he was part of the committee for several years. Jackson explained that a breeder would send a proposal for certified seed production and release and whatever claims the breeder made would have to be substantiated by data.

Carter explained that she brought up this question because when she was in NDSU, they had the wheat breeder and Dr. Manti meeting with a committee from the commission. The breeder would report what he had seen in the fields. Carter mentioned that it's important to have someone who knows about quality and in this case, she would like to represent the commission. Dubcovsky stated that he does not release any variety that has not been seen by the commission. Dubcovsky takes the commissions feedback seriously. If in the collaborator program says they don't like the quality, the variety is not released and does not have a problem to discuss with Carter and receive input.

Dubcovsky said that he would like the Penny Newman, Western Milling, etc to take the material a little earlier. Dubcovsky has a durum and red variety ready for release and would like for them to start growing it before we release using a test agreement so that they can be familiar with the material and give feedback. Then wait one year after the companies have indicated for foundation seed. Carter added that samples can be sent to the commission's lab for quality testing.

Resistant Starch Wheat

Dubcovsky explained that there are three special varieties that have a high content resistant starch and cannot release publicly because there is a patent from Limagrain. The university is forced to do an exclusive with Limagrain. The university is negotiating with Limagrain and BayState Milling and using the same model for Royalty and Research fees as current varieties with some upfront payment at the beginning and higher price attached for exclusivity. Dubcovsky will work on PVP application.

Exclusive Licenses for Wheat Varieties

An exclusive release cannot happen until the committee approves it and the PVP is submitted. The legal office will not initiate any exclusive release until the PVP is initiated. Dubcovsky also mentioned that his varieties are not being promoted. He also said that his varieties are not the best but are better than varieties currently being planted. Dubcovsky asked seed companies if they were interested in exclusivity. Jeff from Western Milling responded that he is not ready to commit to exclusivity. He added that since the acres of wheat in the state and amount of permanent crops going in its a tough decision. Lastly, Jeff specified that it's a tough decision and there a lot of seed companies and different opinions.

Ron Rubin commented that Arizona Grain and Barkley are present in Imperial Valley. He does not have an exclusivity with either of them. Ruben added he does not want to be limited to where he can pull the material from. The system has been working for him and has paid the university over

\$300,000 in Royalty fees. Dubcovsky stated that the model does not have to be the same for all varieties. He has a red better than Yurok and a durum with a low canium. If somebody is interested in exclusive they can contact the university.

JW Cope mentioned that exclusivity tends to limit the use of a variety. Where those releases have been more successful is when growers latch on to something and different venues are able to supply it to them. Cope agrees with Rubin on exclusivity, he believes it tends to have a dead end. Cope added that it's more important that the California growers identify with the breeding program, that's what generates sales. It's very difficult with California because its growers base is unconnected. Cope lastly said that it's more important to connect the growers to the breeding program than exclusivity. After an extensive discussion, Dubcovsky added if anyone was interested in an exclusive to contact the university.

Meeting adjourned at 2:30 PM.

Respectfully submitted

Isabel Rivera, Operations Manager

Accepted by the Commission Board on _____, 2017

Ron Rubin, Research Chairman



Accepted by the Commission Board on _____

CALIFORNIA WHEAT COMMISSION AUDIT COMMITTEE MEETING

Minutes of Friday, August 25, 2017

OPENING BUSINESS

The Meeting was held at the California Wheat Commission office in Woodland, CA.

Call to Order

Chairman Steve Windh called the meeting of the California Wheat Commission Audit Committee to order at 10:02 AM on Friday, August 25, 2017.

Roll Call

Members present for all or part of the meeting included:

Chairman Steve Windh (via phone)
Roy Motter (via phone)
Bill Cruickshank

A quorum was established.

Also, present Executive Director Claudia Carter, Operations Manager Isabel Rivera, and Ron Ley, principal of Damore, Hamric & Schneider.

Approval of Agenda

#1: MOTION WAS MADE BY ROY MOTTER AND SECONDED BY BILL CRUICKSHANK TO APPROVE THE AGENDA AS PRESENTED. MOTION CARRIED.

The purpose of the Audit Committee is to review the results of the field audit conducted annually at the CA Wheat Commission office.

Ron Ley discussed the management letter and information about the auditor's responsibilities under generally accepted auditing standards. There were no disagreements with management. There were no significant weaknesses found however there were two adjustments made. The first was a

reclassification of profit sharing for financial statement presentation. Second the reclassification of oven installation costs to capital expenses. Overall very clean no other adjustments were made.

Ron Ley also discussed internal controls, there were no findings however he mentioned recommendations that the commission should take into consideration to strengthen the internal controls procedures. First recommendation was that the executive director should review the accounts receivable report, and document it as well. Second bank reconciliations which are completed by the executive director should be reviewed and approved by a board member. Ley let the committee know management concurred with the recommendations. Carter explained to the board she has already began implementing the recommendations from the auditors, she will continue to complete bank reconciliations every month, and send them to Steve Windh for review and approval. She also mentioned while she was reviewing the accounts receivable report every month she was not documenting it, so she has started to document it. Steve Windh made a comment that he has already started reviewing the bank reconciliations.

Ley also went over the results of the CDFA-required "Agreed – Upon Procedures audit, where they look at travel, lodging, meal, and entertainment expenses. There were no findings, all reports and communications were clean.

Financial Statements and Independent Auditors Report

Ley reviewed the financial statements with the committee, including the assets, balance sheet, cash flow statement, and revenues, expenses, and changes in net position. The Financial Statements were all materially represented. Total operating revenues are down slightly from previous years from \$925,000 last year to \$867,000 this year. Operating expenses are down as well from last year which left us with an operating income of \$37,000 compared to a deficit of \$5,000 the previous year. Net position is at \$31,000 a positive change from last years \$1300 deficit. Assets are up from last year; balance sheet and cash flow statement were correct and consistent with this year's financials. Ley mentioned the commission staff is great to work with and thanked them for all their help. Carter thanked Isabel for all her hard work during the audit, and Crystal as well for helping Isabel, and working well together as a team. Windh asked ley to clarify a statement in the governance letter to make it clear that there were no difficulties working with staff during the audit. Ley will make the correction for the final draft. Ley asked about the status so far for the next year, and Carter mentioned there is a decrease in assessment and there has been more refund request than previous years. Windh mentioned we are still optimistic that there is a lot of grain in storage that will be coming to the market, and expenses are significantly lower under Carter's leadership.

Meeting Adjourned at 10:51 AM

Respectfully submitted,

Crystal Sandoval, Office Assistant

Accepted by the Commission Board on _____, 2017

Steve Windh, Chairman

California Wheat Commission				
Board Members and Term Dates				
District	Counties Included	Commissioner	Alternate	Current Term Expires
1	Del Norte, Humboldt, Lassen,	Walker (2024)	Crawford (2024)	2018
	Modoc, Plumas, Shasta, Sierra,			
	Siskiyou, Trinity			
2	Butte, Colusa, Glenn, Lake, Marin,	Cruickshank (2025)	Hunn (2025)	2019
	Mendocino, Napa, Sonoma, Sutter,			
	Tehama, Yolo, Yuba			
3	Amador, El Dorado, Placer,			2020
	Nevada, Sacramento, Solano			
4	Alameda, Alpine, Calaveras,	Pelucca (2027)	Scoto (2023)	2018
	Contra Costa, Madera, Mariposa,			
	Merced, Mono, San Joaquin,			
	Stanislaus, Tuolumne			
5	Monterey, San Benito, San Francisco	Siemens(2029)		2020
	San Luis Obispo, San Mateo, Santa			
	Barbara, Santa Cruz, Santa Clara,			
	Ventura			
6	Fresno	Schmidt (2025)		2019
7	Inyo, Kings, Tulare	Carlisle (2027)	Parsons (2027)	2018
8	Kern, Los Angeles, Riverside,	Jim Parsons (2029)	Elholm (2029)	2020
	San Bernardino			
9	Imperial, Orange, San Diego	Rubin (2028)	Motter (2028)	2019
Handler 1	Elected statewide by all handlers.	Spurlock (2028)	Mezger (2028)	2019
Handler 2			Edgar (2028)	2019
At-Large Member	Recommended by CWC; appointed by CDFA.	Jackson (2022)		3/1/2019
Public Member	Recommended by CWC; appointed by CDFA.	Windh (2018)	Sidles (2024)	8/30/2018

Terms of each office are limited to four full 3-year terms. Year in parentheses is the year the board member will be termed out in their current position.



From: Claudia Carter, Executive Director
To: California Wheat Commission Board
Date: Monday, December 4, 2017

Report of Activities from September - December 2017

- Meetings with California Flour Mill from the L.A. area. Visited and met with representatives from: ADM, Miller Milling, Grain Craft, and Ardent Mills.
- Visited Passport Foods in the L.A. area. Lab customer and CA wheat end-user.
- Jorge Ojeda from SUMESA S.A. visited California again in September. Visited with San Joaquin Valley wheat handlers for possible purchase of wheat.
- Meeting with UC Davis Breeder to discuss wheat quality results from 2017 harvest.
- In October attended the AACCI annual meeting– Key presence of the Milling & Baking Industry.
- October 25th - California Wheat Collaborator Meeting - Excellent attendance of wheat industry reps, and positive feedback.
- Working on the Commission's Report with timely information. This Report will be mailed mid-December to our wheat growers prior to the Referendum.

Activities for the following months January- April 2018:

- Meetings with other California Mills representatives – meet with the buyers at their headquarters.
- PNW Wheat Quality Council - San Diego, Jan 24-26, 2018 - PNW Section President.
- USW/NAWG Winter Meeting in Washington, DC. February 6 - 9, 2018.
- Annual visit with Handlers - Sacramento, San Joaquin Valley, and Imperial Valley. From mid-February - mid-April.
- CIMMYT - Latin American Cereal Conference and International Gluten Workshop in Mexico City, MX. March 11-17, 2018.



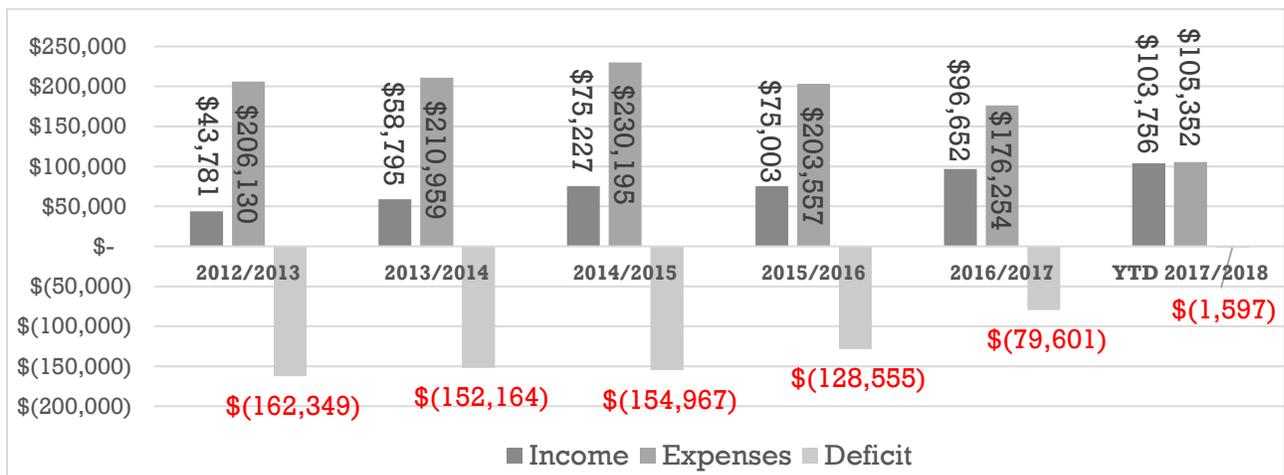
Report of CWC Quality Lab

Lab income has been good this year (see Graph 1). We continue providing our services to a major wheat breeder which has helped to significantly increase our lab income. More importantly, our lab deficit has been reduced.

This indicates that our marketing efforts to promote our lab services have been successful. I will continue to promote the Commission's lab services at meetings and conferences.

In general, we have also managed to keep our expenses as low as possible.

Graph 1. Lab income, expenses*, and deficit for the last five years, and YTD May 1 – November 30, 2017.



*Includes Lab A: Salaries and Lab B: Operating Expenses



To: California Wheat Commission
From: ISABEL RIVERA
DATE: December 7, 2017
SUBJECT: OPERATIONS MANAGER

Referendum

Newsletter will be sent out second week of December.

At the end of December we will send mailing list to CDFA and they will mail ballots in January 2018.

Ballot deadline is in February 2018, CDFA will notify of specific date.

Building

- Roof coating was completed. Commission paid \$9,046.59
Repaired polyurethane foam roof. (3yr. labor warranty)
Installed new silicone coating system. (20yr. material warranty)
- New AC Unit in Lab - \$8042.82
- Carpet stretching

Variety Survey

Start working on survey at the beginning of January.

Upcoming:

Form 700 – Due 4/1/18

Maternity Leave – last week of March and taking 4 months maternity leave. I will be available



To: California Wheat Commission
From: TENG VANG
DATE: December 17, 2017
SUBJECT: LAB MANAGER REPORT

- Expanding wheat and flour quality testing for all regional trial locations instead of just Davis and Fresno for common wheat and durum wheat. There is a total of 9 sites per common wheat and durum wheat
 - Common wheat in Davis and Fresno regional location is completed for the complete test.
 - Durum wheat in Kern and Kings are still in the process of evaluating and will be completed soon.
 - Beginning next year, we will begin to run tests for the rest of the regional plots for common and durum wheat.
- Presented data on wheat and flour quality for the collaborator samples at the 2017 California Wheat Collaborator meeting held in November.

Alejandra Andrade has worked with the California Wheat Commission since the beginning of January 2017. During her time here, she has exceeded my expectations, and I am very grateful to have her in the lab.

Below is a list of key attributes that I would like to mention about Alejandra Andrade.

- Hard worker
- Punctual
- Willing to learn
- Excellent baker
- Fast learner
- Detail Oriented and Follows Instructions
- Performs lab duties with accuracy and precision

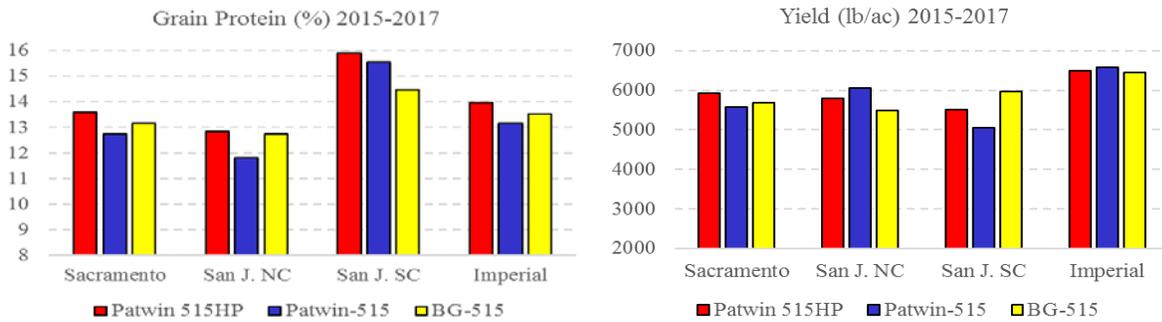
Upcoming Meeting

- Alejandra and I will both attend the PNW wheat quality council meeting on January 24-26, 2018 in San Diego. I will present the quality data on the PNW collaborator samples.

December 4, 2017 UCD Wheat Breeding report

Commercial seed available for 2017-2018

Commercial seed is available for the new HWS white variety **Patwin-515HP** and the HRS variety **Yurok**. **Patwin-515HP** produces more protein (~5-8% increase) and a slight better yield than Patwin-515 (Fig. 1-2), with excellent disease resistance and breadmaking quality. **Yurok** represents an improvement over our previous variety Lassik. It will be replaced in two years by the new release **UC-Central Red**, which has improved yield and breadmaking quality. For the Desert Durum® class, we recommend either our low cadmium variety **Miwok**, or the high yielding variety **Desert King** (or the higher protein version **Desert King-HP**).



Foundation seed production during 2017-2018 season

Resistant starch varieties exclusive releases: These varieties have mutations in the *Starch Branching Enzyme* genes that result in a 10-fold increase in resistant starch. Limagrain has five patents in the USA covering this gene and is interested in an exclusive license of these varieties. They will pay royalties and research fees to the UCD Wheat Breeding program and they will respect the three year California Advantage in the production of seed. PVP applications have been submitted and the final negotiations are pending.

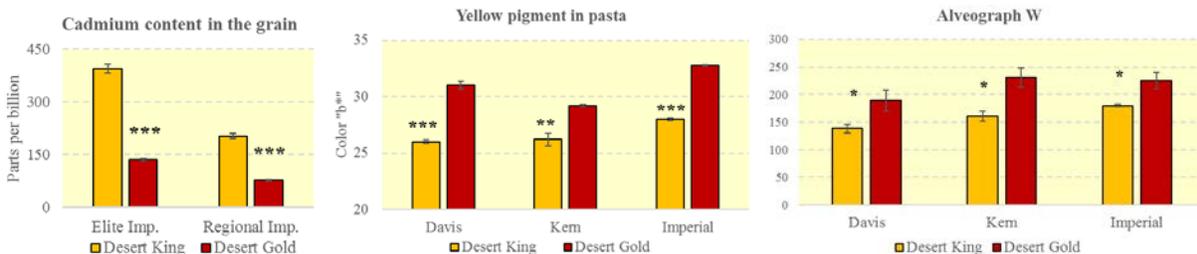
UC-Lassik-RS (UC1836): HRS UCD variety Lassik with five *sbeIIab* mutations.

UC-Patwin-RS (UC1837): HWS UCD variety Patwin-515HP with five *sbeIIab* mutations.

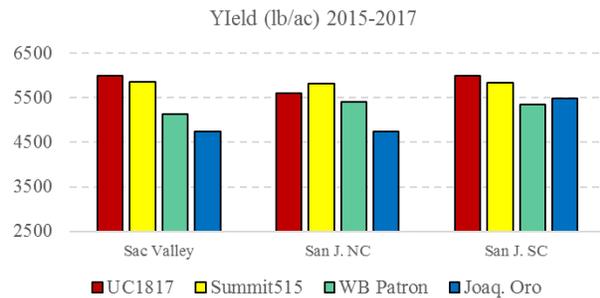
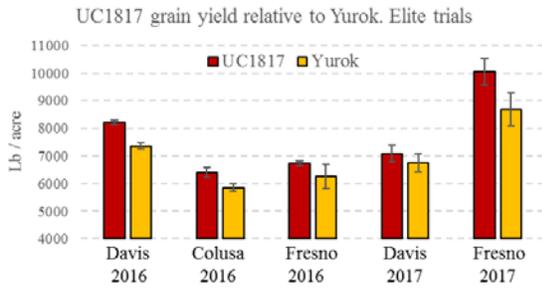
UC-Desert King-RS (UC1848): Durum UCD variety Desert King with four *sbeIIab* mutations, two genes for increased yellow pigment, a gene for reduced cadmium and the high protein gene.

Public releases:

UC- Desert Gold (UC1850). Same as Desert King with the gene for low cadmium and two genes for increased yellow pigment. It has the same yield as Desert King and highly significant increase in yellow pigment (16%, $P < 0.0001$) and no differences in grain size, test weight, grain protein content or semolina extraction compared with Desert King.



UC-Central Red (UC1817). HRS with higher grain yield than Yurok, less lodging and improved breadmaking quality. Its yield is similar to Cal Rojo, Redwing and Summit 515. It will replace Yurok in 2019.



Traditional breeding

We made crosses among our best lines and new introduced materials with valuable traits, we advance our F₂-F₆ populations and tested hundreds of lines for yield in observation, preliminary, advanced and elite yield trials. The program has a strong pipeline of very high yielding materials.

Marker assisted selection

Markers for yield: We have now a molecular marker for larger grains *gw-A2* (6% increase) and two markers for increased grain number *Elm1* and QSn.ucd-7AL. We initiated introgression into our top varieties.

Markers for quality: For pasta wheat, we are introgressing alleles for improved yellow pigment and color stability in pasta, increased gluten strength (*Glu-D1₂₊₁₂*), higher grain protein content (*Gpc-B1*), and low cadmium (*Cdu1*) in our top yielding lines.

Markers for disease resistance: We continued the introgression of genes *Yr5*, *Yr15*, and *Yr36* for resistance to stripe rust in our top breeding lines. We mapped and published two new stripe rust and two stem rust resistance genes.

Publications and Grants

The UCD wheat group published 11 research articles in wheat in 2017 in the top peer-reviewed scientific journals and renewed the USDA-IWYP grant for its second year \$3,000,000 (20 collaborators, led by UC Davis). Dr. Dubcovsky renewed its HHMI appointment for the next seven years, which will provide \$500,000 a year for basic research in wheat.

Acknowledgements

I acknowledge the major contributions that Dr. Oswaldo Chicaiza, Xiaoqin Zhang, and Alicia del Blanco to the wheat breeding program. We than Mark Lundy and his team for the Regional and Elite data, Marcelo Soria for the database. In addition I acknowledge the extremely valuable data provided by the CWC quality laboratory, as well as the continuous support of the CWC and CCIA.

Jorge Dubcovsky, Distinguished Professor
 Dept. of Plant Sciences, University of California, One Shields Avenue

Dear Commissioners,

I am sorry that I am unable to join today's meeting. I am lecturing in a class at the same time that these research updates are scheduled to occur. I will provide a few updates on our statewide testing program as an attachment. However, before I focus on the research updates, I would like to call your attention to a very serious threat to the stability of the UC research supported by the Commission, and ask for your help in opposing what is beginning to transpire:

UC Office of the President appears to be moving forward on a plan to collect overhead on commodity funding beginning July 1, 2018

- Target rate being discussed is 40% with the possibility of 25% initially, then ramping up to 40% in 5% yearly increments.
 - Currently, no overhead is collected on the funding provided to UC from the CWC.
 - This will be a direct deduction from our programs and will greatly challenge the viability of the UC statewide testing program.
 - It will effectively force me to reduce the staff support for this program from 2 to 1 full-time person.
 - Given the nature of our work and the extent of our trial footprint, I am not confident that it would be feasible to continue the program as it is currently structured with a single full-time staff member.
- During the previous grant cycle, the CWC approved 2-years funding, so the 2018-19 cycle should not be affected.
- Our department at UC Davis (Plant Sciences), our college at UC Davis (Agriculture and Environmental Sciences) and the Division of UC that administers Cooperative Extension programs (Division of Agriculture and Natural Resources) have each expressed concern and opposition to this proposal.
 - Internal opposition to this proposal was only effective in delaying the outcome.
 - We are soon going to exhaust our options to oppose this internally.
- **External opposition to and feedback on this proposal will be needed.**
 - This opposition will need to come from the stakeholders and constituents this policy change will effect (i.e. the entire California farming industry).
 - Should be directed to the UC Office of the President and, if necessary, to the press and broader public.
 - Organized statement of opposition from the California Wheat Commission?
 - Other Commissions and Commodity Boards?
 - County Supervisors?
 - Farm Bureau?
- Key points
 - Monies from the CWC is a self-imposed, voluntary assessment and should not be treated the same as other state funding streams that originate from the state budget.
 - In addition to the direct funding, Claudia and I approximated \$135-145,000 of in-kind donations from donated land, labor, lab and equipment use that flows to UC programs from the CWC.
 - This proposal is an erosion of trust, and a fundamental threat to what had been a longstanding and productive relationship directly in line with UC's land grant mission.

Unfortunately, the UC Office of the President's proposal is not the only threat to our program based on recent changes imposed by UC administrators:

UC Research and Extension Center (REC) fees are moving toward "complete cost recovery"

- These changes are coming from the leadership at the Division of Agriculture and Natural Resources, which administers UC Cooperative Extension programs.
 - [Glenda Humiston](#), [Wendy Powers](#) and [Tu Tran](#) are the senior administrators responsible for this decision.
- Initial rate increases have already taken effect at the centers we use for the statewide testing program (Westside REC in Five Point, Intermountain REC in Tulelake, and Desert REC in Holtville).
 - Prior to rate increases, field charges represented 19% of my statewide testing budget.
 - Depending on the particular center, rates are scheduled to increase somewhere between 200% and 400% over coming 5 years.
 - As currently structured, the statewide testing program will not be able to afford these changes.
 - Possible reduction of sites may result (Imperial and Tulelake)
 - Reduction of efforts to integrate management-related variables into the trial structure.
- When initially proposed, exceptions were mentioned as a possibility for long-term research and for newly hired faculty.
 - I am pursuing these exceptions for the statewide testing program.
 - External stakeholder input/objections (eg. from CWC, county supervisors, individual growers) would be valuable/necessary to help make the case.
 - **Are the CWC and individual growers willing to produce a letter of input/objection to the REC center rate increases already underway?**

Stepping back from these two particular threats, there are clearly other threats to small grain production in California—low commodity prices, uncertain water supplies, and increasing regulatory pressure, to name a few—that have little to do with the decreasing state budget commitments and downstream decisions made by UC administrators. Simply put, these are challenging times to carry out the applied research mission of the land grant university.

Nevertheless, I remain committed to fighting these proposed changes and moving our applied small grain research agenda forward. I began as a regional Cooperative Extension Advisor in 2013 and took on this statewide CE Specialist position a little more than 2 years ago. Throughout my time in Cooperative Extension, I have been impressed by the solid foundation built by the coordinated efforts of the farm community and the University of California across many decades. My generation has inherited one of the finest statewide Cooperative Extension systems in the country, and I have been trying to build a program on this foundation that is sustainable and productive far into the future. However, the threats described above are as serious as they are shortsighted. I believe the programs we are trying to maintain are worth the fight, and I hope you are willing to lend your voice to oppose these changes.

Sincerely,

Mark Lundy
Assistant CE Specialist, Grain Cropping Systems
University of California

Research and Extension Update

Statewide Variety Testing Program Update

- 2017-18 trials are 90% planted.
 - 11 common wheat trial locations
 - 5 durum wheat locations
 - 5 rainfed/low water locations
 - 2 low N locations
 - 1 organic small grains trial
- 2016-17 trial results
 - Results for 2017 are available on our newly developed site:
<http://smallgrains.ucanr.edu/Variety/>
 - In addition to the standard tabular results and the multi-year summaries and heat maps that were introduced last season, the 2017 results are now accessible via an interactive webtool: <http://smallgrainselection.plantsciences.ucdavis.edu/>
 - Tool is designed to help pinpoint small grain varieties that have performed well in particular regions and environments of California using data from multi-year, multi-location field trials. Main features of the tool are:
 - A series of selection menus that interact with a map to give the user real-time feedback on how particular crop selections are represented geographically in the trial data
 - A custom table that is returned based on these selections and can then be modified based on a series of additional selections available to the user.
 - A [video](#) demonstrating how to use the tool is also available.
 - Second tool designed to navigate site-specific and multi-year data interactively in a similar manner is under development and should be finished in the spring of 2018.

Web-based extension efforts

- Traffic on new <http://smallgrains.ucanr.edu/> site is up 270%, and average session duration has increased 450% during Fall 2017 compared to Fall 2016.
 - Viewed 11,000+ times during 2017.
- Smallgrains blog (<http://ucanr.edu/blogs/smallgrains/>)
 - 14 posts in 2016-2017 season
 - Viewed 5,500+ times during 2017.
 - Top Posts:
 - [Topdress of nitrogen at tillering stage is something to seriously consider over the coming weeks](#)
 - [2017 University of California Small Grains Survey Results](#)

Agronomic Studies

- Work is ongoing to extend the in-season N management research conducted over recent seasons to grower fields.
 - We are promoting the use of N-rich strips to enable more precise in-season topdress applications. See blog post here:
 - <http://ucanr.edu/blogs/blogcore/postdetail.cfm?postnum=24989>

- The integration of proximal sensing data into our statewide testing data is providing interesting results.
 - Initial modeling of sensor data collected in 2016-17 shows an ability to explain yield differences via periodic canopy reflectance data.

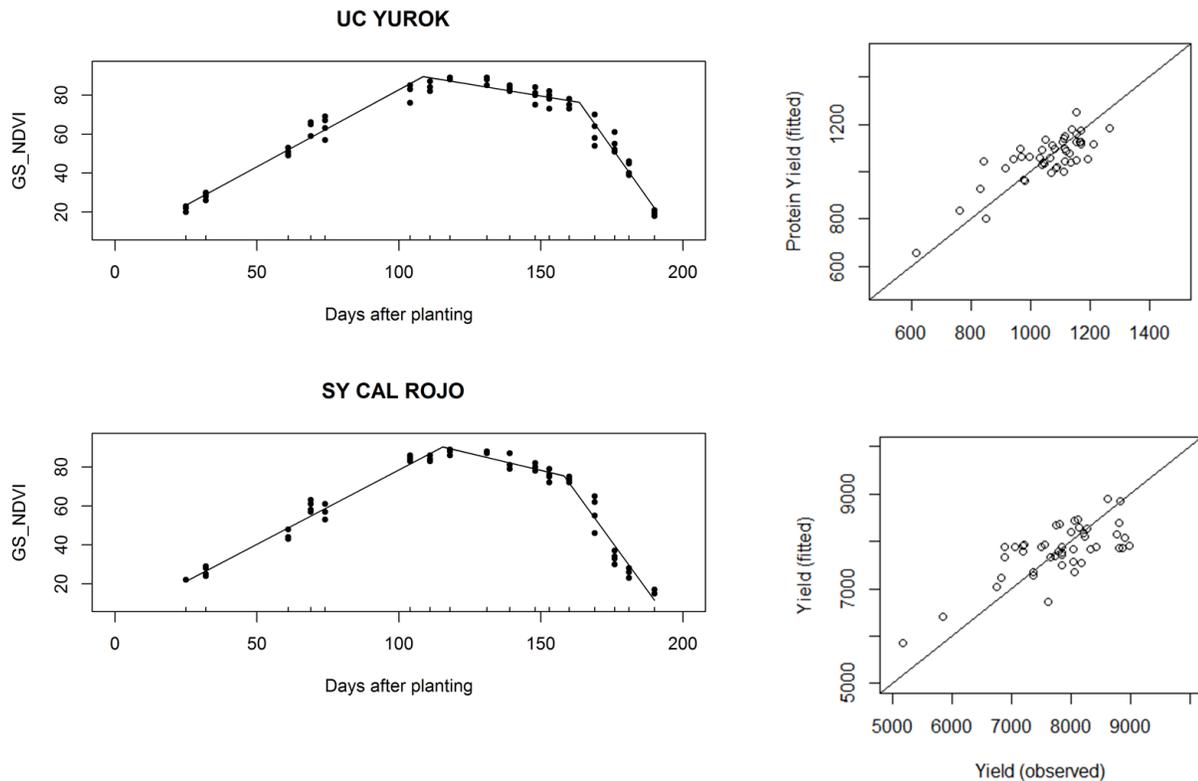


Figure 1. A segmented linear model of NDVI data collected via proximal sensing on the Davis common wheat trial was fit to all varieties (two example varieties are included, top and bottom left). The slopes and break points associated with each variety in the trial significantly explained variety-specific differences in protein yield (top right) and yield (bottom right).

- More work on this is needed to understand and validate the consistency of these relationships
 - Initial data indicates that further integration of in-season sensing data may enable us to maintain/expand our geographic reach without increasing the requirement for costly physical samples. Efforts will continue this season.

CALIFORNIA WHEAT COMMISSION
FY 17/18 Income / Expense as of 11/30/17

	FY 2016/17 100% of FY \$.075/cwt	FY 2017/18 APPROVED 8/30/2017	FY 2017/18 58% of FY (as of 11/30/17) \$.075/cwt	% of Budget
INCOME:				
401. ASSESSMENTS	\$765,850	\$700,000	\$496,547	71%
402. INTEREST	\$4,063	\$4,000	\$2,414	60%
403. OTHER INCOME	\$5,106	\$100	\$100	100%
407. LABORATORY				
CROP QUALITY	\$6,635	\$8,000	\$12,310	154%
LABORATORY ANALYSIS (+Training)	\$90,017	\$135,000	\$91,446	68%
405. REFUNDS	\$0	(\$20,000)	(\$15,064)	75%
TOTAL INCOME	\$871,671	\$827,100	\$587,753	71%
EXPENSES:				
GENERAL & ADMINISTRATIVE				
501. SALARIES	\$192,299	\$238,398	\$128,959	54%
502. STAFF EXPENSE	\$2,772	\$3,000	\$2,380	79%
503. OFFICE EXPENSE	\$8,104	\$11,600	\$4,493	39%
504. OFFICE SERVICES	\$8,691	\$10,700	\$6,676	62%
506. INSURANCE	\$12,315	\$16,520	\$10,276	62%
508. PROFESSIONAL SERVICES	\$18,012	\$19,000	\$12,339	65%
509. CDFA	\$17,803	\$19,000	\$9,740	51%
513. COMM MTGS	\$4,847	\$6,182	\$1,895	31%
516. CONDOMINIUM FEES	\$4,047	\$4,100	\$2,698	66%
521. Building Maintenance	\$547	\$10,000	\$9,047	90%
TOTAL G&A EXPENSES	\$269,435	\$338,500	\$188,503	56%
RESEARCH				
601. RESEARCH CONTRACTS	\$284,275	\$330,000	\$273,333	83%

	FY 2016/17	FY 2017/18	FY 2017/18	% of
	100% of FY	APPROVED	58% of FY	Budget
	\$.075/cwt	8/30/2017	(as of 11/30/17)	
			\$.075/cwt	
MARKET DEVELOPMENT/OUTREACH				
505. INFORMATION/MEMBERSHIP	\$3,614	\$3,550	\$2,419	68%
510. CAWG CONTRACT	\$18,000	\$20,000	\$13,334	67%
512. COMM EXPENSE	\$6,570	\$6,000	\$4,462	74%
600. TECHNICAL SERVICES	\$3,269	\$4,500	\$4,749	106%
602. PUBLICATIONS	\$700	\$1,500	\$1,506	100%
603. TRADE TEAMS	\$815	\$1,500	\$1,394	93%
604. MARKET DEVELOPMENT	\$13,009	\$10,000	\$4,816	48%
605. USWA	\$25,638	\$18,950	\$13,634	72%
621. WHEAT VARIETY SURVEY	\$3,936	\$4,000	\$0	0%
624. OUTREACH	\$13,889	\$10,000	\$6,269	63%
TOTAL MARKET DEVELOPMENT	\$89,440	\$80,000	\$52,583	66%
LABORATORY				
617. LABORATORY				
SALARIES	\$143,027	\$143,481	\$86,291	60%
OPERATING EXPENSE	\$33,286	\$38,500	\$19,449	51%
TOTAL LAB	\$176,314	\$181,981	\$105,740	58%
OTHER				
626. CAPITAL EXPENSE				
OFFICE	\$0	\$1,000	\$0	905%
LABORATORY	\$0	\$12,000	\$8,043	67%
TOTAL CAPITAL EXPENSE	\$0	\$13,000	\$8,043	62%
526. Reimbursed Expenses	(\$473)			
529. Bad Debt	\$5,361			
524. Depreciation Expenses	\$15,873			
TOTAL EXPENSES	\$840,225	\$943,481	\$628,202	67%
NET INCOME	\$31,447	(\$116,381)	(\$40,449)	
Adjustments to reconcile Net Income				
Net Cash by Operating Activities	\$35,870			
Net Cash by Investing Activities	\$9,231			
Net Cash Increase for Period	\$45,101			
Changes In Net position:				
Net Position, Beginning of Year	\$821,628	\$866,729		
Net Position, End of Year	\$866,729	\$750,348		

California Wheat Commission
Cash Flow Statement
5/1/2017 to 11/30/2017

NET INCOME/EXPENSE \$ (40,449.20)

Adjustments to reconcile Net Income
to net cash provided:

By Operations:

Assessments Receivable	\$ 10,110.46
Customer Invoices (receivables)	\$ (10,836.96)
Prepaid Contracts	\$ 29,992.00
Prepaid Expenses	\$ 13,961.29
Accounts Payable	\$ (8,555.98)
Pension Payable	\$ (22,830.97)

NET CASH INCREASE/DECREASE AS OF 08/15/2017 \$ (28,609.36)

(Net Income +/- adjustments)

The Cash Flow Statement accounts for actual cash flows in and out of CWC. If income or an expenditure is not accounted for on the *current* FY Income/Expense report, then adjustments are made on the Cash Flow Statement to account for changes in cash position.

BEGINNING CASH (as of 5/01/2017)

Edward Jones CD	\$ 560,000.00
Edward Jones MM	\$ 1,295.06
RVCTY-MM	\$ 153,267.78
Tri Counties Bank MM	\$ 150,567.86
Tri Counties Bank Checking	\$ 1,598.00

TOTAL OF BEGINNING CASH \$866,728.70

TOTAL CASH as of 11/30 **\$ 838,119.34**

(Net cash provided by activities + beginning cash)

CASH ON HAND (as of 08/15/2017)

Edward Jones CD	\$ 561,000.00
Edward Jones MM	\$ 2,421.15
RVCTY-MM	\$ 153,383.72
Tri Counties Bank MM	\$ 116,031.19
Tri Counties Bank Checking	\$ 5,283.28

TOTAL CASH AND BANK ACCOUNTS **\$838,119.34**

CERTIFICATES OF DEPOSIT

MATURITY DATE	BANK	TERM	INTEREST RATE	VALUE
EDWARD JONES				
11/30/17	Bank of Baroda	6 MO	1.05	\$ 150,000.00
02/21/18	Bank of India	6 MO	1.35	\$ 205,000.00
3/20/2018	Bank of China	6 MO	1.30	\$ 206,000.00
	(Interest paid at intervals into money market)			\$ 561,000.00

MONEY MARKET ACCOUNTS

BANK	RATE	VALUE
Edward Jones MM	0.01	\$ 2,421.15
River City Bank MM	0.15	\$ 153,383.72
TriCounties Bank MM	0.18	\$ 116,031.19
		\$ 271,836.06

TOTAL	\$832,836.06
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Updated 11/30/17

**CALIFORNIA WHEAT COMMISSION
ASSESSMENT HISTORY - -**

MONTH	07/08		08/09		9/10		10/11		11/12		12/13		13/14	
	\$.05/cwt		Accrual method begins. \$05/cwt		\$.05/cwt		\$.05/cwt		\$.05/cwt		\$.05/cwt		\$.05/cwt	
MAY	-\$22	0.0%	\$32,476	2.26%	\$60,504	5.58%	\$20,500	1.9%	\$38,542	3.2%	\$38,516	4.0%	\$20,560	2.4%
JUNE	\$20,971	2.6%	\$299,935	23.13%	\$299,268	33.16%	\$211,343	21.0%	\$238,798	23.3%	\$305,086	35.3%	\$278,041	35.1%
JULY	\$273,435	36.2%	\$568,415	62.68%	\$314,075	62.11%	\$474,756	64.1%	\$390,968	56.1%	\$360,093	72.3%	\$295,267	69.9%
AUG	\$280,284	70.7%	\$255,674	80.48%	\$98,140	71.15%	\$189,184	81.2%	\$260,621	77.9%	\$61,845	78.7%	\$77,979	79.1%
SEPT	\$111,799	84.5%	\$68,392	85.23%	\$44,579	75.26%	\$53,064	86.0%	\$69,461	83.7%	\$34,928	82.3%	\$38,490	83.6%
OCT	\$36,152	88.9%	\$49,849	88.70%	\$48,796	79.76%	\$40,035	89.7%	\$66,233	89.3%	\$41,025	86.5%	\$22,987	86.3%
NOV	\$15,830	90.9%	\$8,703	89.31%	\$32,616	82.76%	\$12,452	90.8%	\$11,707	90.3%	\$11,460	87.7%	\$10,430	87.5%
DEC	\$17,617	93.0%	\$15,415	90.38%	\$23,696	84.95%	\$15,162	92.2%	\$18,978	91.9%	\$24,267	90.2%	\$17,142	89.5%
JAN	\$7,824	94.0%	\$79,898	95.94%	\$55,468	90.06%	\$53,357	97.0%	\$69,396	97.7%	\$59,915	96.3%	\$44,938	94.8%
FEB	\$28,070	97.5%	\$18,329	97.22%	\$16,593	91.59%	\$11,365	98.0%	\$10,517	98.6%	\$14,735	97.8%	\$18,701	97.0%
MAR	\$13,032	99.1%	\$19,046	98.54%	\$13,824	92.86%	\$3,774	98.4%	\$1,063	98.7%	\$6,652	98.5%	\$13,435	98.6%
APRIL	\$7,591	100.0%	\$20,959	100.00%	\$77,435	100.00%	\$18,027	100.0%	\$15,892	100.0%	\$14,474	100.0%	\$11,897	100.0%
	\$812,582		\$1,437,091		\$1,084,994		\$1,103,021		\$1,192,175		\$972,994		\$849,864	

MONTH	14/15		15/16		16/17		17/18	
	\$.06/cwt		\$.075/cwt		\$.075/cwt		\$.075/cwt	cumulative percentage of total budget
MAY	\$33,791	5.5%	\$23,259	2.7%	\$32,423	4.2%	\$31,495	4.5%
JUNE	\$191,432	36.4%	\$285,959	36.3%	\$168,660	26.2%	\$160,877	27.5%
JULY	\$190,406	67.1%	\$225,065	62.6%	\$162,565	47.5%	\$209,369	57.4%
AUG	\$30,260	72.0%	\$46,090	68.1%	\$94,317	59.8%	\$52,399	64.9%
SEPT	\$42,346	78.9%	\$11,984	69.5%	\$32,530	64.0%	\$25,199	68.5%
OCT	\$23,521	82.7%	\$38,732	74.0%	\$54,644	71.1%	\$17,209	70.9%
NOV	\$16,127	85.3%	\$17,383	76.0%	\$36,902	75.9%		70.9%
DEC	\$24,746	89.3%	\$33,490	80.0%	\$55,146	83.1%		70.9%
JAN	\$39,228	95.6%	\$64,424	87.5%	\$67,341	91.9%		70.9%
FEB	\$7,046	96.7%	\$33,303	91.4%	\$36,462	96.7%		70.9%
MAR	\$6,150	97.7%	\$43,939	96.6%	\$12,302	98.3%		70.9%
APRIL	\$13,974	100.0%	\$29,232	100.0%	\$13,069	100.0%		70.9%
	\$619,028		\$852,860		\$766,361		\$496,547	as of 11/30/17
							\$700,000	← budget

VACATION SUMMARY AS OF 11/30/17					
Name	Hire Date	Yearly Vacation Rate (days)	Maximum Accrual Rate (Days)	Amount accrued as of 8/15/17 (days)	Vacation Liability as of 11/30/17
Teng Vang	02/12/07	20	40	28.3	\$ 6,857.66
Isabel Rivera	01/01/13	15	30	10.63	\$ 2,146.41
Claudia Carter	6/15/2014	15	30	5.81	\$ 2,346.31
Crystal Sandoval	8/15/2016	10	20	9.09	\$ 1,090.80
Alejandra Andrade	1/3/2017	10	20	8.34	\$ 900.72
					\$ 13,341.90
TOTAL					
prepared by IR					

California Wheat Historical HARVESTED vs. NON HARVESTED Percentages

Winter Wheat					Durum Wheat				Total Crop	
<i>*As of USDA's August 25, 2016 NASS</i>										
	Acres Planted (1000)	Acres Harvested (1000)	% Harvested for grain	% for Non-grain	Acres Planted (1000)	Acres Harvested (1000)	% Harvested for grain	% for Non-grain	% Harvested for grain	% for Non-grain
2017	385	155	40%	60%	35	27	77%	23%	43%	57%
2016	425	170	40%	60%	55	47	85%	15%	45%	55%
2015	450	150	33%	62%	70	60	86%	14%	40%	60%
2014	490	190	39%	61%	40	30	75%	25%	42%	58%
2013	620	345	56%	44%	70	49	70%	30%	57%	43%
2012	590	305	52%	48%	125	120	96%	4%	59%	41%
2011	680	440	65%	35%	95	90	95%	5%	68%	32%
2010	680	350	51%	49%	85	75	88%	12%	56%	44%
2009	660	350	53%	47%	150	140	93%	7%	60%	40%
2008	730	420	58%	42%	150	125	83%	17%	62%	38%
10-yr Avg	571	288	49%	51%	88	76	85%	15%	53%	47%
5-yr Avg	474	202	42%	58%	54	42.6	79%	21%	46%	54%
10-year Avg (2008-2017)										
5-year Avg (2013-2017)										
2007	550	265	48%	52%	90	80	89%	11%	54%	46%
2006	450	250	56%	44%	70	65	93%	7%	61%	39%
2005	495	300	61%	39%	75	69	92%	8%	65%	35%
2004	560	320	57%	43%	120	100	83%	17%	62%	38%
2003	740	410	55%	45%	130	115	88%	12%	60%	40%
2002	530	300	57%	43%	95	90	95%	5%	62%	38%
2001	530	380	72%	28%	85	81	95%	5%	75%	25%
2000	535	390	73%	27%	100	97	97%	3%	77%	23%
1999	500	370	74%	26%	90	85	94%	6%	77%	23%
1998	500	380	76%	24%	180	175	97%	3%	82%	18%
10-yr Avg	539	337	63%	37%	104	96	92%	8%	67%	33%
10-year avg (1996-2005)										
1997	510	400	78%	22%	145	144	99%	1%	83%	17%
1996	640	550	86%	14%	140	138	99%	1%	88%	12%
1995	580	425	73%	27%	70	68	97%	3%	76%	24%
1994	590	510	86%	14%	60	59	98%	2%	88%	12%
1993	550	500	91%	9%	41	40	98%	2%	91%	9%
1992	585	535	91%	9%	57	55	96%	4%	92%	8%
1991	450	410	91%	9%	33	32	97%	3%	92%	8%
1990	620	560	90%	10%	60	59	98%	2%	91%	9%
1989	625	570	91%	9%	106	105	99%	1%	92%	8%
1988	530	490	92%	8%	60	59	98%	2%	93%	7%
10-yr Avg	568	495	87%	13%	77	76	98%	2%	89%	11%
10-year Avg (1988-1997)										
1987	560	510	91%	9%	60	57	95%	5%	91%	9%
1986	650	600	92%	8%	80	75	94%	6%	92%	8%
1985	800	750	94%	6%	85	80	94%	6%	94%	6%
1984	770	690	90%	10%	100	94	94%	6%	90%	10%
1983	730	610	84%	16%	80	70	88%	13%	84%	16%
1982	1020	1000	98%	2%	130	125	96%	4%	98%	2%

2017 USDA Estimated Production for California

*Highlighted information reflects changes

2016	Planted	Harvested	Yield	Production
Winter wheat	425,000	170,000	2.34	397,800
Durum	55,000	47,000	2.58	121,260
TOTAL	480,000	217,000		519,060
As of 01/12/2017 Crop Production Report 2016				LAST YEAR

2017	Planted	Harvested	Yield	Production
Winter wheat	360,000	144,000	2.34	336,960
Durum	40,000	38,000	2.58	98,040
TOTAL	400,000	182,000		435,000
As of 1/12/2017 Wheat Seedings Report				

Plantings
85%
73%
83%
of last year

2017	Planted	Harvested	Yield	Production
Winter wheat	350,000	150,000	2.13	319,500
Durum	40,000	35,000	2.40	84,000
TOTAL	390,000	185,000		403,500
Assessment Revenues				\$ 544,725
As of 5/2017 Crop Production Report				

Of last year's production
80%
69%
78%
of last year of last year

2017	Planted	Harvested	Yield	Production
Winter wheat	350,000	150,000	2.31	346,500
Durum	40,000	35,000	2.64	92,400
TOTAL	390,000	185,000		438,900
Assessment Revenues				\$ 592,515
As of 6/2017 Crop Production Report				

Of last year's production Of previous report
87% 108%
76% 110%
85% 109%

2017	Planted	Harvested	Yield	Production
Winter wheat	385,000	175,000	1.95	341,250
Durum	54,000	45,000	2.64	118,800
TOTAL	439,000	220,000		460,050
Assessment Revenues				\$ 621,068
As of 6/30/2017 Acreage Report				

Of last year's production Of previous report
86% 98%
98% 129%
89% 105%

2017	Planted	Harvested	Yield	Production
Winter wheat	385,000	175,000	1.95	341,250
Durum	54,000	45,000	2.64	118,800
TOTAL	439,000	220,000		460,050
Assessment Revenues				\$ 621,068
As of 8/10/2017 Crop Production Report				

Of last year's production Of previous report
86% 100%
98% 100%
89% 100%

2017	Planted	Harvested	Yield	Production
Winter wheat	385,000	155,000	1.92	297,600
Durum	35,000	27,000	2.76	74,520
TOTAL	420,000	182,000		372,120
Assessment Revenues				\$ 502,362
As of 9/29/2017 Small Grain Annual Summary report				

Of last year's production Of previous report
75% 87%
61% 63%
72% 81%

Variety Survey	Planted	% of USDA's last report, planted acres	CWC's Harvested est at 4.17.17	Compared to USDA's last report	CWC's production est at 4/17/17	Compared to USDA's last report
Winter wheat	372,000	96.6%	171,120	110%	328,550	110%
Durum	41,000	117.1%	39,770	147%	109,765	147%
Total	413,000	98.3%	210,890	116%	438,316	118%

Released April 2017

CWC Assesst Est.

\$591,726

Global markets affect California wheat plantings

Issue Date: [November 22, 2017](#)

By Ching Lee



Kings County farmer Michael Miya looks over a wheat field he planted this fall that has sprouted. The crop will be harvested for silage and marketed to the region's dairies.

Photo/Cecilia Parsons



Kings County farmer Michael Miya, left, stands in a field that is being planted to wheat. Because of his proximity to dairies, he grows a forage wheat that will be cut for silage.

Photo/Cecilia Parsons

Though its water-saving qualities make it attractive, California farmers likely won't grow much wheat this fall, as depressed prices encourage them to evaluate other crop options.

This will be the third consecutive year that California wheat acreage is expected to fall below 500,000. Last year, California farmers grew 372,000 acres of winter wheat and 41,000 acres of durum wheat—the lowest in 50 years and a far cry from the million-plus acres farmers grew in the early 1980s.

"Production has been heavily declining," said Claudia Carter, executive director of the California Wheat Commission. "One of the biggest reasons is price, which has been really low, and competitive crops we have out there seem to be more profitable for (farmers)."

Even though California farmers grow wheat largely as a rotational crop, their decision for planting it "is primarily driven by price, because California growers have a lot of alternatives," said Roy Motter, an Imperial County grower.

"With the current price, we're planting the very minimum amount of wheat that we need to, because we can't make money growing wheat at these prices," he added.

This is true, he said, even for those growing Desert Durum wheat, which is grown under irrigation and typically receives a higher price. But that premium has eroded in recent years, he noted.

For this reason, Motter said he's planting more lettuce and onions this year, and leasing some of his wheat ground to a cantaloupe grower. Other farmers are switching to garbanzo beans and triticale, which is grown for feed, Carter said.

Nationally, farmers planted 45.7 million acres of wheat this year, the lowest on record, according to the U.S. Department of Agriculture. Despite smaller plantings, abundant global supplies have kept prices "in the toilet," Carter said, with Russia emerging as "big-time producers" and a competitor of U.S. wheat.

"What they're producing is good, so the world is buying a lot of it," she said, noting that Russia has also benefited from the weaker ruble against the firm dollar.

With the falling grain market, California farmers are growing more forage-variety wheat, which can be higher yielding and now accounts for 25 to 30 percent of the state's crop, Carter said. Most of that forage wheat comes from the San Joaquin Valley, which produces 70 percent of the state's wheat.

Being in Kings County, farmer Michael Miya grows wheat for silage, which he said always finds a home in the region's many dairies. He said he knows wheat prices are down and that there are other forage crops he could grow during the winter, but he's "more comfortable" growing wheat because it doesn't require a lot of water and fertilizer, and it's easy to grow. He said he won't grow safflower, for example, because the crop tends to attract pests to his walnuts.

Miya is planting more wheat this year than in the past because he removed a walnut orchard and is using wheat as a rotation crop to recover the ground. He said he also prefers growing forage wheat because he doesn't want the hassle of having to test his crop and trying to meet milling standards. Dairies, he noted, do their own testing and will pay him a set price by the ton.

"It pays some of the bills—not a lot these days," he said. "The wheat price hasn't been very good, but we're always looking for something that saves water."

Having a shortage of water is a major reason Yolo County grower Bill Cruickshank is continuing to grow wheat. Because the winter crop is mostly rain-fed, he could save his irrigation water for row crops during the summer months.

He said he's heard of farmers growing more garbanzo beans, and there's also more barley being grown, he said—not for feed but edible barley for specialty markets, as well as malting barley for craft breweries, though he noted that this segment is still in its infancy.

A new export market that has opened for California wheat is Ecuador, which bought its first load of Desert Durum this past summer, with plans to buy more California wheat, Carter said. The South American nation has a new milling facility that it needs to supply and is "very quality-conscious," she said.

Currently, most of the state's Desert Durum goes to Italy to make semolina, which is used to make pasta.

One advantage California has, Carter said, is that its wheat production is small compared to states such as Kansas and North Dakota, so it has the ability to keep varieties separate. This allows the state to target niche markets such as Ecuador, she said.

Riverside County farmer Grant Chaffin, who plans to grow about the same amount of Desert Durum as he grew the last two years, welcomed the news about Ecuador.

"In general, anytime you can get another buyer, it's always a good thing," he said.

With just one mill in Ecuador, Motter said current wheat volumes being shipped there are small. Cruickshank said though this new market has potential, he would like to see a long-term commitment from Ecuador as a buyer, pointing out that California already does not produce enough wheat to take care of the state's 12 mills, which must import most of the wheat they need.

(Ching Lee is an assistant editor of Ag Alert. She may be contacted at clee@cfbf.com.)

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