

LOUISIANA RICE RESEARCH BOARD

MINUTES

Crowley, Louisiana
November 1, 2018

MEMBERS PRESENT:	Richard Fontenot, Dane Hebert, John Earles, Damian Bollich, Benjy Rayburn for LDAF Commissioner Mike Strain, Jude Doise, Sammy Noel, Jason Waller, Alan Lawson, Kim Frey, Gerald Leonards, Jeffery Sylvester, Eric Savant, and David LaCour
MEMBERS ABSENT:	John Denison
OTHERS PRESENT:	Kurt Guidry, Kyle McCann, Bruce Schultz, Dustin Harrell, Rogers Leonard, Scott Soileau, Kane Web, Don Groth and Frankie Gould

The business meeting was called to order immediately following the research project reports. Chairman, Richard Fontenot 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 Sammy Noel, seconded by Kim Frey and carried, to approve the agenda.

The Board next considered the minutes of the previous meeting.

ACTION #2 A motion was made by Gerald Leonards, seconded by Dane Hebert and carried, to approve the minutes of the previous meeting.

Frankie Gould then reviewed the Board's annual report. She reviewed the draft content and timeline for the publication. The Board briefly discussed the various topics to be included. Members were asked to contact Frankie Gould if they had items they thought should be included.

The LDAF September 2018 assessment collections report was then presented by Kyle McCann. For the month of September assessment collections were \$80,234.13. The year to date assessment collections were \$127,495.37 and year to date refunds were \$9,067.08 or approximately 7.1% of total collections.

Scott Soileau then reviewed the previous year end June 30, 2018 financial operating 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.

The next agenda item was legal considerations. Chairman Fontenot indicated that the potential trial has been deferred until next year.

The Intellectual Property Committee report was then presented by Alan Lawson. This year \$240,000 was available for projects. The committee recommend funding the 2019 project requests totaling \$183,000 (attached) and the renovation of one green house for \$55,000 and additional funds for the crawfish/rice research project of \$2,000 for a total funding recommendation of \$240,000. The committee also recommended signing a new 3 year MOU with the LSU AgCenter. Chairman Fontenot reviewed the committee's purpose and the funding process. 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 the MOU. The majority of royalties come from technology used in other states and countries. Royalties will decline as patents roll off.

ACTION #3 A motion was made by Dane Hebert, seconded by Kim Frey and carried to approve the recommendations of the IP Committee and that the 3 year MOU with the LSU AgCenter be approved.

Kane Web then reported on the USA Rice Foundation activities and the project conducted on nutritional research for the 2020 dietary guidelines.

The Board then considered Col-Rice Fund Use Committee report and funding recommendations for Col-Rice TRQ funds. The Committee recommended that Jackie Loewer continue to represent the Board on the COL-RICE Board. Dane Hebert presented the Col-Rice Committee report and recommendations. He reviewed the recent ruling from the Attorney General's office (OPINION 18-0090), that approved the funding of the rice research Chair endowment with the LSU Foundation. The Committee discussed the endowment and the desire to increase it over time and recommended the allocation of another \$500,000 once the endowment was established. The Committee recommended the funding of 1 equipment item, \$250,000 sprayer, and to renovate one green house for \$55,000 for a total of \$305,000 for infrastructure and equipment for 2019. They also recommended allocating \$300,000 for 2019 rice research projects. Kyle McCann reviewed the available TRQ balances and reserves. The Board discussed how the Col-Rice TRQ funds became available, the process in place and the future of this source of revenue.

ACTION #4 A motion was made by Jeffery Sylvester, seconded by Sammy Noel and carried, that the Col-Rice committee recommendations for Col Rice TRQ funds be approved as presented and fund \$305,000 (sprayer \$250,000, green house renovation \$55,000) for infrastructure and equipment and provide up to \$300,000 for research projects for 2019 and the allocation of an additional \$500,000 for the rice research endowment once established with the LSU Foundation.

The Board then considered the checkoff assessment and EU TRQ income estimates and operating budget. Kyle McCann reviewed the assessment income for this year's crop, reserve balances as of 6/30/18 by fund type and the board's

operational budget estimates for FY 2019. 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 the funding requests.

The Board reviewed each continuing project and established funding levels for 2019 by eliminating some projects and reducing the funding level on the remaining projects by 5% from their 2018 levels. The Board then reviewed new projects and selected 4 new projects to be funded for 2019.

ACTION #5 A motion was made by John Denison, seconded by Kim Frey and carried to approve funding levels for the LSU AgCenter 2019 continuing projects at 5% below their 2018 levels then add the 4 new projects selected for 2019.

The Board then reviewed the funding decisions, operating budget and the impact on projected reserves by fund type. The 2019 projects funded by checkoff funds was \$1,502,950, EU TRQ was \$48,609 and Col-Rice TRQ was set at \$605,000 for a grand total of \$2,156,559 with the LSU AgCenter for 2019.

ACTION #6 A motion was made by Gerald Leonards, seconded by Damian Bollich and carried to approve the overall project funding levels and to allocate the two TRQ funds to two separate projects (Famoso and Kongchum).

The approved projects, final funding level allocations and budget are attached. After agreeing to the 2019 funding allocations and budget, the Board considered the renewal of the necessary contracts for 2019.

ACTION #7 A motion was made by Dane Hebert, seconded by Jeffery Sylvester and carried to approve the funding levels, budget and necessary contracts for 2019 with organizations and individuals in the amounts agreed to in the approved operating budget and project allocations; LSU Foundation endowment \$500,000, LSU AgCenter research projects \$ 2,156,559, USA Rice up to \$16,000; The Rice Foundation \$35,000; 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 gave a brief report on staffing transitions and responsibilities.

The long grain brand working group activities were reported on by Kane Webb. The work is still ongoing to develop a Louisiana standard and looking at IP issues.

Kane Webb also briefly reported on the activities of the USA Rice Federation, the Outlook Conference and the January 9, 2019 meetings.

Chairman Fontenot brought up the need for a letter of support to assist Dr. Wilson in obtaining federal funds for his research.

ACTION #8 A motion was made by Gerald Leonards, seconded by Sammy Noel and carried to approve a letter in support of Dr. Wilson's research.

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.

The Board discussed recognizing retired Board members at the field day in June.

ACTION #9 A motion was made by Jeffery Sylvester, seconded by John Earles and carried to recognize the service of retired Board members during the program at the rice field day.

The next Board meeting would be held on June 26, 2019 immediately following the field day program.

The Public Comment period was held. No comments were received.

There being no further business the meeting was adjourned.

2018 Proposed Funding For RRB - IP Committee

<u>Item</u>	<u>Amount</u>
▪ Seed Treatment Equipment (Breeding Project)	\$25,000
▪ Research Farm Specialist (including fringe) - Utomo & Wenefrida Projects	\$54,000
▪ Farm Equipment - Ditcher	\$6,000
▪ Farm Equipment - 15 Ft Plow	\$21,000
▪ Farm Equipment - 21 Ft Plow	\$42,000
▪ Farm Equipment - Harrow	\$20,000
▪ Funding For Crawfish/Rice Research	\$15,000
<u>Total</u>	<u>\$183,000</u>

Green House 55,000
238,000

Crawfish + 2,000
total 240,000

RICE PROJECTS FOR 2019

Department/Project Title Principal Investigator	2019		
	EU-TRQ	ColRice TRQ	Checkoff
Continuing Projects			
Ag Economics & Agribusiness Economic Analysis of Rice Production and Farm Management in Louisiana Deliberto, Michael (Salassi)			\$ 38,000
Entomology Integrated Management Strategies for Insect Pests of Rice Wilson, Blake (Stout)			\$ 103,906
Idlewild Research Station Development of an Encapsulation Protocol for Sodium Nitrite for Control of Feral Swine in Rice Gentry, Glen	\$ 28,500		
Northeast Research Station Yield Evaluation of Commercial-Advanced (CA) Testing Program in Northeast Louisiana Miller, Donnie			\$ 14,250
Best Management Practices for Row Rice Production Systems in Northeast Louisiana Donnie Miller			\$ 33,250
Plant Pathology & Crop Physiology Characterization and Utilization of Genetic Traits for Resistance to Multiple Diseases of Rice Ham, Jong Hyun			\$ 56,668
H. Rouse Caffey Rice Research Station			
Development of Superior Rice Varieties for Louisiana Famoso, Adam		\$ 300,000	\$ 228,770
Enhancement of Rice Research and Extension Communications Gould, Frankie			\$ 41,225
Louisiana Rice Research Verification Program Harrell, Dustin			\$ 46,655
Rice Multidisciplinary Research Program Conducted at the Rice Research Station Groth, Donald			
Objectives Listed Below 1-9	Objective Allocation		
Objective 1 Applied Molecular Breeding Famoso, Adam			\$ 67,925
Objective 2 Multiple Generation Rice Breeding Nursery Famoso, Adam			\$ 78,375

RICE PROJECTS FOR 2019

Department/Project Title Principal Investigator	2019		
Objective 3 Development of Disease Control Practices in Rice Groth, Donald			\$ 68,638
Objective 4 Rice Management Strategies for Efficient Utilization of Agronomic Inputs and Natural Resources Harrell, Dustin			\$ 181,103
Objective 5 Effect of Water Management Practices of Nitrogen Use Efficiency and Yield of Drill-Seeded, Delayed Flood Rice Production Kongchum, Manoch	\$ 20,109		\$ 7,014
Objective 6 Development of Hybrid Rice and Sheath Blight-Resistant Germplasm for Louisiana Oard, James			\$ 133,760
Objective 7 Marker-Assisted Breeding and Development of Molecular Markers for Important Traits in Louisiana Rice Production Utomo, Herry			\$ 30,175
Objective 8 Rice Grain Quality Enhancement: Charaction of Elite High-Protein Lines and Development of Herbicide-Resistant Rice Wenefrida, Ida			\$ 24,689
Objective 9 Rice Res Station Infrastructure, Facilities Upgrade & Support - COLTRQ Funding - Spayer \$250,000; 1 Green House Renovation -\$55,000 - Groth		\$ 305,000	
School of Plant, Environmental & Soil Sciences Breeding Salt Tolerant Rice Varieties Subudhi, Prasanta			\$ 33,250
Weed Management in Herbicide-Resistant/Tolerant and Conventional Rice Webster, Eric			\$ 174,398
Total for Continuing Projects	\$ 48,609	\$ 605,000	\$ 1,362,050

RICE PROJECTS FOR 2019

Department/Project Title Principal Investigator	2019		
<i>New Projects</i>			
Experimental Statistics Implementation of Digital Agricultural Techniques to Improve Outcomes and Practices at the Rice Res Station Gentimis, Thanos			\$ 25,000
Entomology Development of Best Management Practices for Insects of Stored Rice Wilson, Blake			\$ 38,000
Northeast Research Station Nitrogen Fertilization of Furrow Irrigated Rice Using Surge Valve Irrigation Copes, Josh			\$ 44,200
Remote Sensing Ground Control Point Network to Support Precision Agriculture in Rice Farms Shiratsuchi, Luciano			\$ 33,700
Total for New Projects	\$ -	\$ -	\$ 140,900
Totals by Funded by Type 2019	\$ 48,609	\$ 605,000	\$ 1,502,950
Total Funded for 2019	\$ 2,156,559		

Table 1. CHECKOFF REVENUE PROJECTIONS 11/1/2018

2017 CROP	ESTIMATES			
	NASS		EU -TRQ	COL-Rice TRQ
ACRES	434,000		2,019.00	YTD
YIELD	72.5			
TOTAL PRODUCTION	31,465,000			
CHECKOFF	\$ 0.05			
TOTAL COLLECTIONS	\$ 1,573,250.00			
REFUNDS				
& SLIPPAGE (%)	8			
TRQ EU 2019	\$ 125,860.00		25,000	
COL-Rice 2018				607,759
REVENUE ESTIMATE	\$1,447,390		\$25,000	\$ 607,759

Table 2. Unencumbered Balances

	FUNDS			
	CHECKOFF & VD	TOTAL	EU -TRQ	COL-Rice TRQ
UNENCUMBERED BALANCE 6/30/18 (Net of all Contractual Obligations)	\$ 197,569.63	\$ 4,128,917	37,774	3,893,573
Reserve (allocation Nov 14 & 15)				(1,500,000)
Chair (allocation Nov 14 & 15)				(1,000,000)
TOTAL FUNDS	\$ 197,570		\$ 37,774	\$ 1,393,573

TABLE 3. PROJECTED BUDGET RICE RESEARCH BOARD 2018-2019.

	FUNDS			
	CHECKOFF & VD	TOTAL	EU -TRQ	COL-Rice TRQ
UNENCUMBERED BALANCE 6/30/18	197,570	\$4,128,917	37,774	1,393,573
ESTIMATED REVENUE	1,447,390		25,000	
INTEREST INCOME EST	1,000			6,000
COL- Rice TRQ 6/18 AUCTION				92,499
COL- Rice TRQ 10/11 AUCTION				134,140
FUNDS AVAILABLE	\$ 1,645,960		\$ 62,774	\$ 1,626,213
EXPENSES				
LDAF	12,000			
OPERATING EXPENSES				
STATE AUDIT	2,910			
PROFESSIONAL FEES	3,600			
LEGAL RES. (6/27/18)	100,000			
PRINTING	2,500			
MISCELLANEOUS	1,000			
USA RICE FEDERATION	16,000			
USA RICE FOUNDATION	5,000			30,000
TOTAL OPERATING EXP.	131,010			
TOTAL EXPENSES	143,010			
NET FUNDS AVAILABLE	1,502,950		62,774	1,596,213
TOTAL COMBINED FUNDS		\$3,161,936		

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 2019 PROJECT FUNDING AND PROJECTED YEAR-END RESERVES (6/30/19).

	CHECKOFF & VD	TOTAL	EU -TRQ	COL-Rice TRQ
TOTAL NET FUNDS AVAILABLE FOR 2019 PROJECTS	1,502,950	3,161,936		
			62,774	1,596,213
LSU AGCTR 2019 RES. PROJECTS				
CONTINUING	1,362,050		48,609	300,000
NEW	140,900			0
TOTAL	1,502,950		48,609	300,000
COMBINED TOTAL		1,851,559		
TRQ RECOMMENDATIONS				
Col Rice Capitol Items				305,000
TOTAL LSU				605,000
OTHER PROJECTS				
Col-Rice LSU Foundation - Chair				500,000
TOTAL	-			1,105,000
PROJECTED NET TOTAL NET TRQ RESERVE	0	\$505,377	14,165	491,213
UNENCUMBERED RESERVES (6/30/19)	0		14,165	\$1,500,000
				\$1,991,213
LSU 2019 Contract by Fund Type	1,502,950		48,609	\$605,000
TOTAL		\$2,156,559		