

ARKANSAS WHEAT PROMOTION BOARD MEETING

Minutes

February 20, 2024

10:00 a.m.

Member(s) Present: Kenneth Clark, Adam Cloninger, Jack Evans, Chris Schaefers, Terrance Scott, Tim Smith

Member(s) absent: Dusty Hoskyn, Herrick Norcross

Chair Tim Smith called the meeting to order and welcomed all members and guests.

Minutes of the July 25, 2023 Arkansas Wheat Promotion Board meeting were presented for review and approval.

Moved by Clark, seconded by Schaefers to approve the minutes as presented.

Motion carried.

Fred Wiedower, Deputy Chief Fiscal Officer, presented the financial report covering July 1, 2023 through January 1, 2024, shown as **Attachment 1**.

Wiedower stated the beginning fund balance was \$170,581.12. Net collections, after treasury charges, equals \$104,420.66 with an available balance of \$275,001.78. There have been no expenditures by the Board thus far.

Moved by Cloninger, seconded by Schaefers to approve the financial report as presented.

Motion carried.

Wiedower presented Arkansas Legislative Audit Report, shown as **Attachment 2**, covering the 2-year period ending June 30, 2023, and showing no reportable findings.

Moved by Evans, seconded by Scott to approve the audit report as presented.

Motion carried.

Moved by Schaefers, seconded by Cloninger to approve board travel expense reimbursements for 2024.

Motion carried.

Jason Kelley, Extension Agronomist, University of Arkansas System Division of Agriculture, gave a wheat crop update, shown as **Attachment 3**.

Kelley discussed acreage and yield trends. Yields in Arkansas average around 55 bushels per acre. US average on winter wheat was 50.6 bushels per acre.

Dr. Terry Spurlock stated their main objective for the project is to create a list of recommended wheat varieties each year, based on variety testing as to disease tolerance and resistance. Dr. Spurlock shared wheat variety data, shown as **Attachment 4**.

Dr. Nathan Slaton, University of Arkansas, gave a report on unused funds. Typically, funds are allocated for research projects, and any funds left over are rolled back into a single account as unspent funds. Typically, the Board would be notified of this transaction and those funds would be placed towards the following year's research projects. Dr. Slaton stated \$26,960.42 has accumulated in unspent research funds and has been placed in a single account.

Dr. Slaton also stated the Wheat Board committed funding toward the Foundation Seed Plant in Stuttgart in the amount of \$20,000. An invoice for that amount was approved at the Wheat Board meeting held in June 2023 and has not yet been paid. Dr. Slaton proposed taking the \$20,000 out of the unspent funds, leaving a balance of \$6,960.42 in the unspent fund account, which could be used towards fiscal year 2025 research funding.

Moved by Evans, seconded by Clark to pay the \$20,000 invoice for the Foundation Seed Plant from the unspent funds as proposed by Dr. Slaton, and the remaining amount be allocated towards future research funding.

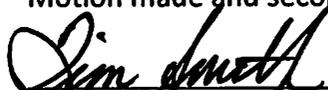
Motion carried.

John Carlin, University of Arkansas, reported on royalties and how they are handled with the Memorandum of Understanding (MOA).

Carlin stated there are currently three active licenses for wheat varieties. Two of those lines had distributable royalties this year and one line did not. The Wheat Board's share for this 12-month period is \$4,006.51. The University of Arkansas holds those royalties in an account for the Board that the Division administers, and those funds are spent at the direction of the Board.

The next Wheat Promotion Board meeting is scheduled for July 10, 2024, at 10:00 a.m.

Motion made and seconded to adjourn.


Tim Smith, Chairman

**ARKANSAS WHEAT PROMOTION BOARD
FINANCIAL REPORT
FOR THE PERIOD JULY 1, 2023 - JANUARY 31, 2024**

	June 2023	January 2024	Forecast 2024
Beginning Fund Balance	\$110,022.91	\$170,581.12	\$ 170,581.12
Revenue			
Gross Collections	\$97,265.87	\$107,761.24	\$ 107,761.24
Refunds			
Rev. & Treas. Dept. 3.1%	\$3,015.25	\$3,340.58	\$ 3,340.58
Transfers to WPB (Net)	\$94,250.62	\$104,420.66	\$ 104,420.66
Total Revenue	\$204,273.53	\$275,001.78	\$ 275,001.78
Expenses			
University of Arkansas Foundation Seed Plant	\$33,692.41		\$ 50,738.00
Total Research	\$33,692.41	\$0.00	\$ 50,738.00
Wheat Foods Council			
Wheat Quality Council			
Arkansas Foundation Ag			
U.S. Wheat Associates			
Total Promotion	\$0.00	\$0.00	\$0.00
Board Expenses			
Board Travel Lodging			
Board Travel Mileage			\$ 752.00
Board Meeting Food Purchase			
Website			
Postage			
Total Board Expenses	\$0.00	\$0.00	\$ 752.00
Total Expenditures	\$33,692.41	\$0.00	\$51,490.00
Ending Fund Balance	\$170,581.12	\$275,001.78	\$223,511.78

Internal Control and Compliance Assessment
Arkansas Legislative Audit

Arkansas Wheat Promotion Board

For the Two-Year Period Ended June 30, 2023



INTRODUCTION

This report is issued to inform the Legislative Joint Auditing Committee of compliance with state fiscal laws and regulations as well as deficiencies in internal controls for the Arkansas Wheat Promotion Board. Assessment procedures disclosed no reportable items of noncompliance.

SCOPE AND METHODOLOGY

We performed an internal control and compliance assessment of the Arkansas Wheat Promotion Board, a board of Arkansas state government, as of and for the year ended June 30, 2023, and have issued our report dated September 21, 2023. Management of the Agency is responsible for establishing and maintaining internal controls and complying with applicable laws and regulations.

The assessment included cash on deposit, cash receipts, expenditures, and data entry to the Arkansas Administrative Statewide Information System (AASIS). The assessment consisted principally of inquiries, observations, analytical procedures, and selected tests of internal control policies and procedures, accounting records, and other relevant documents. We relied on financial data in AASIS recorded by the Agency and audit work conducted in the fiscal years 2022 and 2023 State Annual Comprehensive Financial Reports (ACFRs) and Single Audit Reports.

RESULTS OF ASSESSMENT

Assessment procedures did not disclose instances of noncompliance considered reportable.

ENABLING LEGISLATION AND ORGANIZATIONAL STRUCTURE

The Arkansas Wheat Promotion Board was created by Act 283 of 1985. The Board's mission is to promote the growth and development of the wheat industry in Arkansas through research, extension, promotion, and market development, thereby promoting the general welfare of the people of Arkansas.

The Board is made up of nine members appointed by the Governor. The Board is administered by the Executive Vice President of the Arkansas Farm Bureau Federation or his or her designee.

The Board administers a one cent per bushel assessment on all wheat grown in Arkansas for market. The assessment is collected at the first point of sale by the Arkansas State Miscellaneous Tax Department. The funds are deposited into the State Treasury and are disbursed by the Board to fund wheat research and promotion efforts. The Agency does not have any state employees. An employee of Arkansas Farm Bureau fills the role of Administrator. The Board's organizational chart in place at June 30, 2023, is presented in Exhibit I on page 2.

ARKANSAS LEGISLATIVE AUDIT
500 Woodlane Street, Suite 172, Little Rock, AR 72201
Phone: 501-683-8600 Fax: 501-683-8605
www.arklegaudit.gov

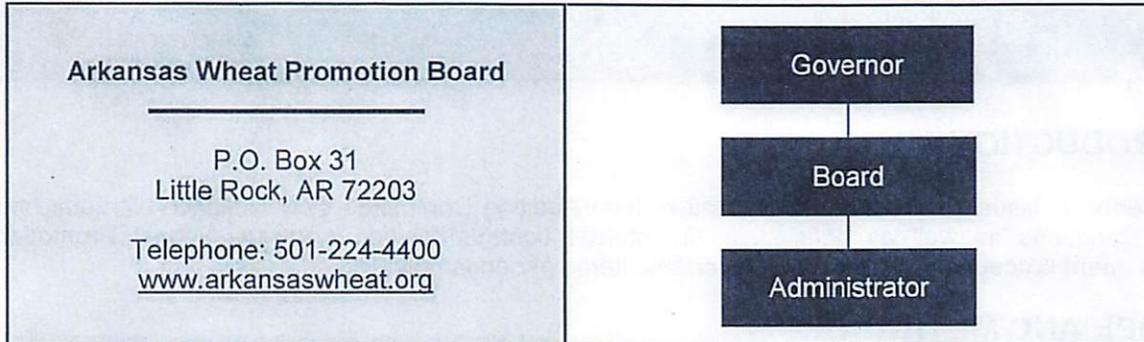
Report ID: SR0934423

Report Date: September 21, 2023



Exhibit I

Arkansas Wheat Promotion Board
Organizational Chart



Source: Arkansas Wheat Promotion Board

As a result of Act 712 of 2023, effective July 1, 2023, the Board was transferred to the Arkansas Department of Agriculture, and the number of board members was reduced to seven. Arkansas Farm Bureau continued to assist with the administration of the Board until July 31, 2023.

FISCAL ANALYSIS

Revenues, Expenditures, and Transfers

Agency revenues, expenditures, and transfers for fiscal years 2019 through 2023 are illustrated in Exhibit II on page 3. The Agency reported \$81,871 and \$94,251 in net revenues for the fiscal years ended June 30, 2022 and 2023, respectively. Crop production varies from year to year due to timing of harvest; weather conditions; and farmers' use of wheat as a rotational crop, not a main crop. Wheat production has been increasing over the past years, resulting in increased tax collections.

The Agency had no expenditures for the two-year period ended June 30, 2023. Agency net transfers totaled \$35,829 and \$33,692 for fiscal years ended June 30, 2022 and 2023, respectively. The majority of transfers represent payments to the University of Arkansas for research. Increases and decreases in transfers are linked to fluctuations in the collection of wheat assessments each year.

Assets and Liabilities

Agency assets totaled \$110,023 and \$170,581 at June 30, 2022 and 2023, respectively. Assets consisted of cash balances that were reconciled to the State Treasury without exception. Asset balances at year-end for fiscal years 2019 through 2023 are presented in Exhibit III on page 3. The Agency reported no liabilities for the five-year period.

Exhibit II

Arkansas Wheat Promotion Board
Revenues, Expenditures, and Transfers
For the Years Ended June 30, 2019 through 2023

	Fiscal Year				
	2023	2022	2021	2020	2019
Revenues					
Wheat assessment fees (net)	\$ 94,251	\$ 81,871	\$ 35,504	\$ 24,455	\$ 68,913
Expenditures					
Other expenses	\$ 0	\$ 0	\$ 0	\$ 473	\$ 0
Net Transfers In (Out)	\$ (33,692)	\$ (35,829)	\$ 0	\$ (39,959)	\$ (43,817)

Source: Arkansas Administrative Statewide Information System Trial Balance (unaudited by Arkansas Legislative Audit)

Exhibit III

Arkansas Wheat Promotion Board
Assets and Liabilities
For the Years Ended June 30, 2019 through 2023

	Fiscal Year				
	2023	2022	2021	2020	2019
Assets					
Cash and cash equivalents	\$ 170,581	\$ 110,023	\$ 63,980	\$ 28,476	\$ 44,422
Liabilities	\$ 0				

Source: Arkansas Administrative Statewide Information System Trial Balance (unaudited by Arkansas Legislative Audit)



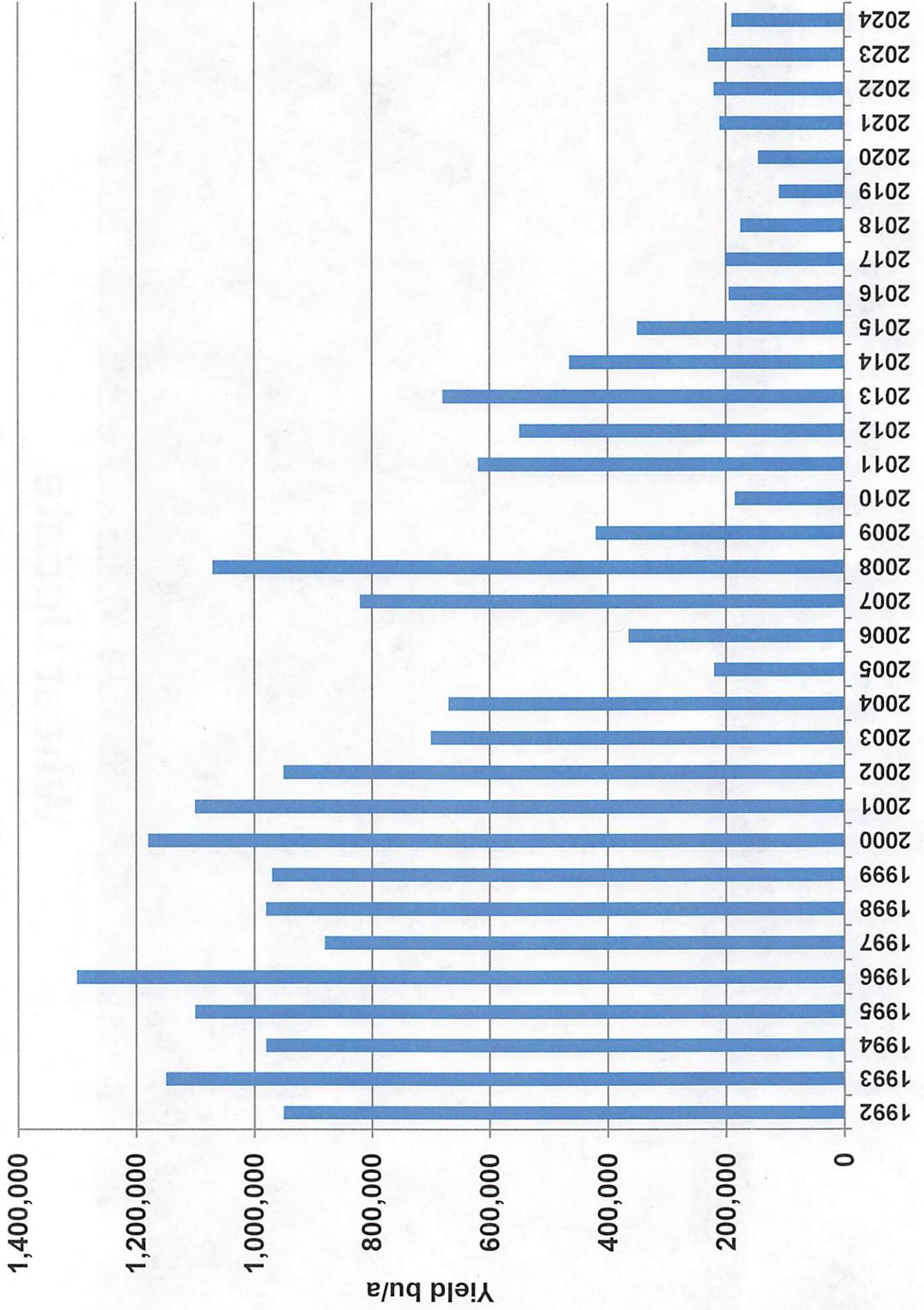
Wheat Update

Dr. Jason Kelley – Extension Agronomist

University of Arkansas System Division of Agriculture

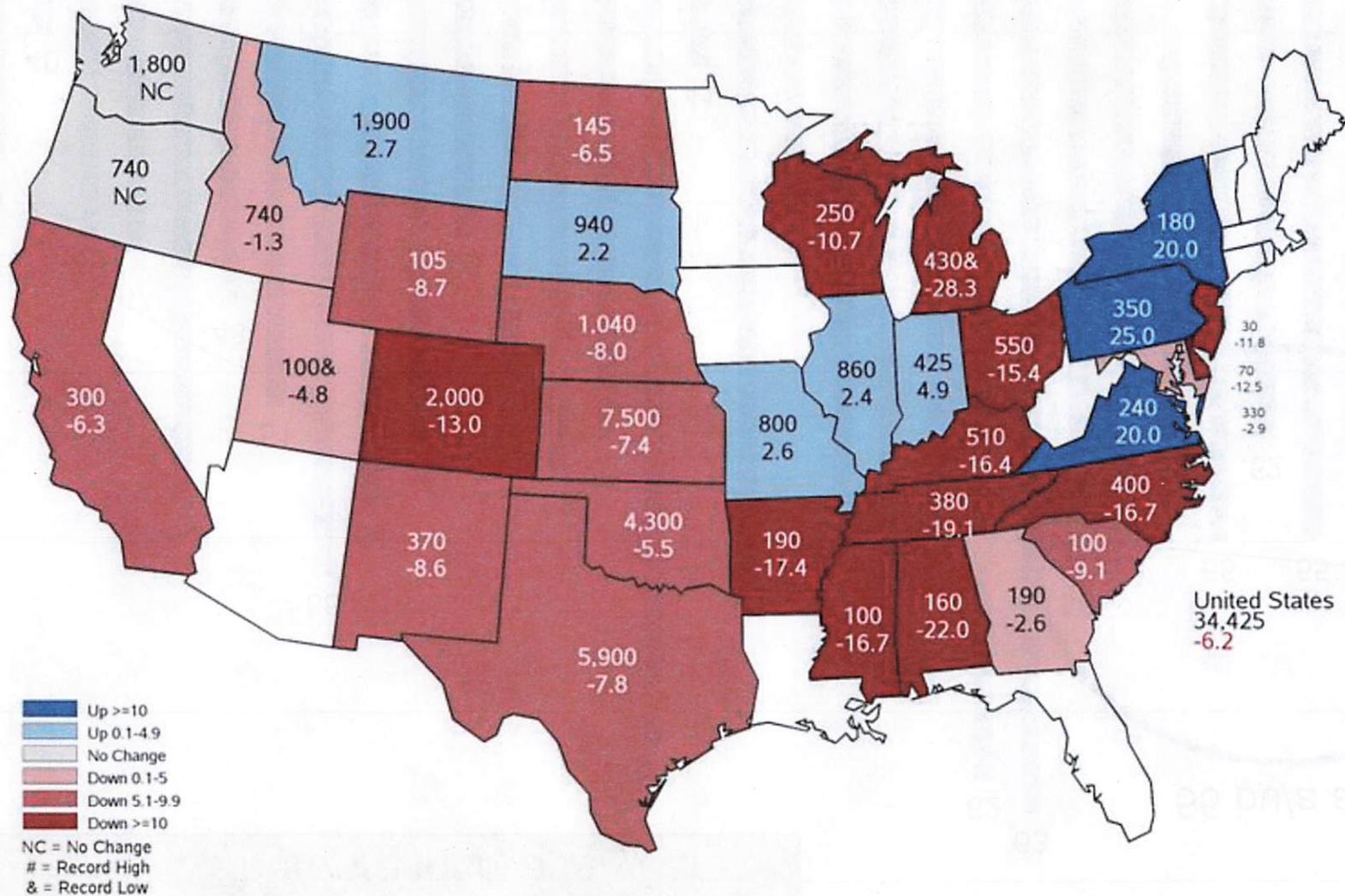
Arkansas Planted Wheat Acreage 1992-2024

■ Planted Acres



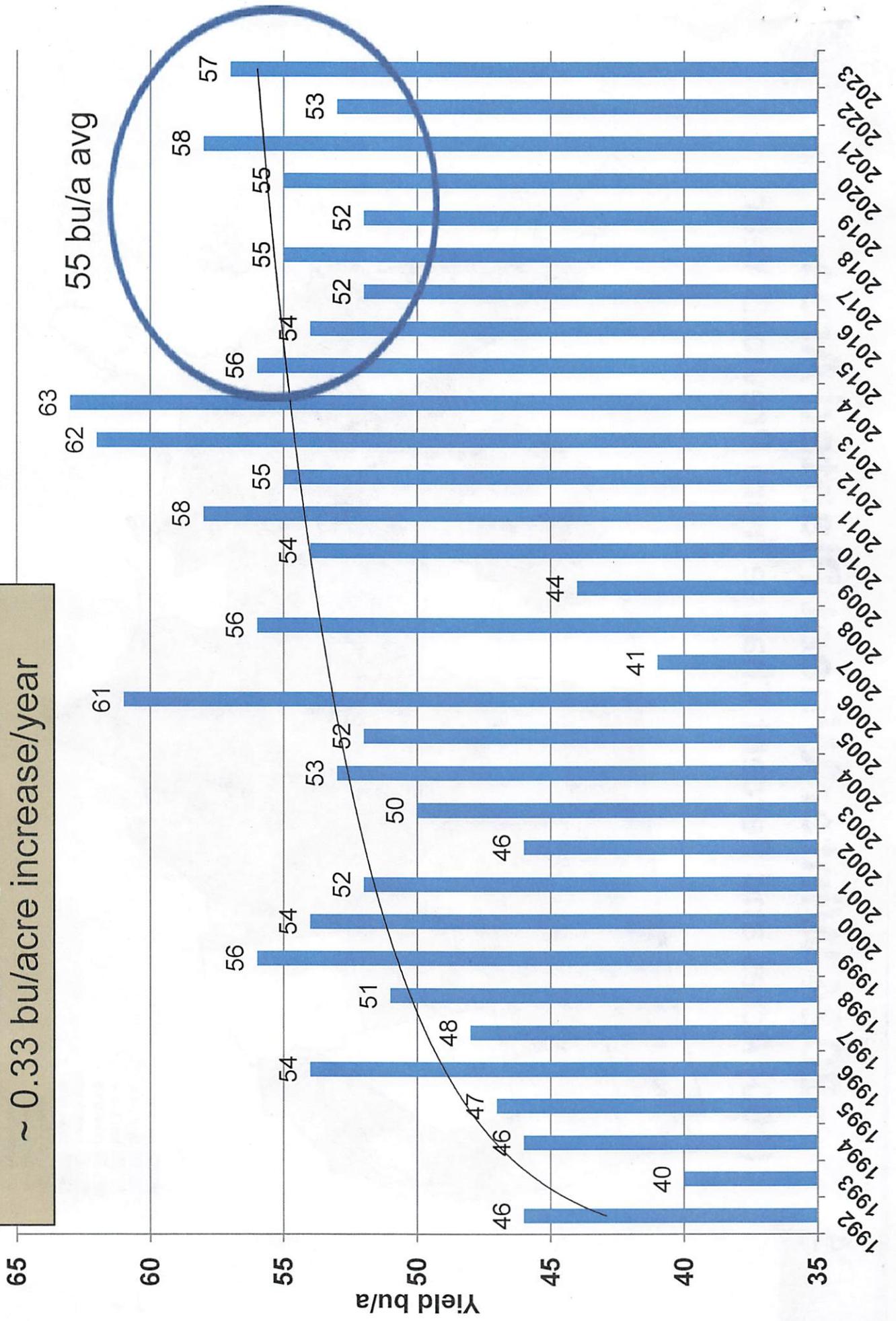
2024 Winter Wheat Planted Area

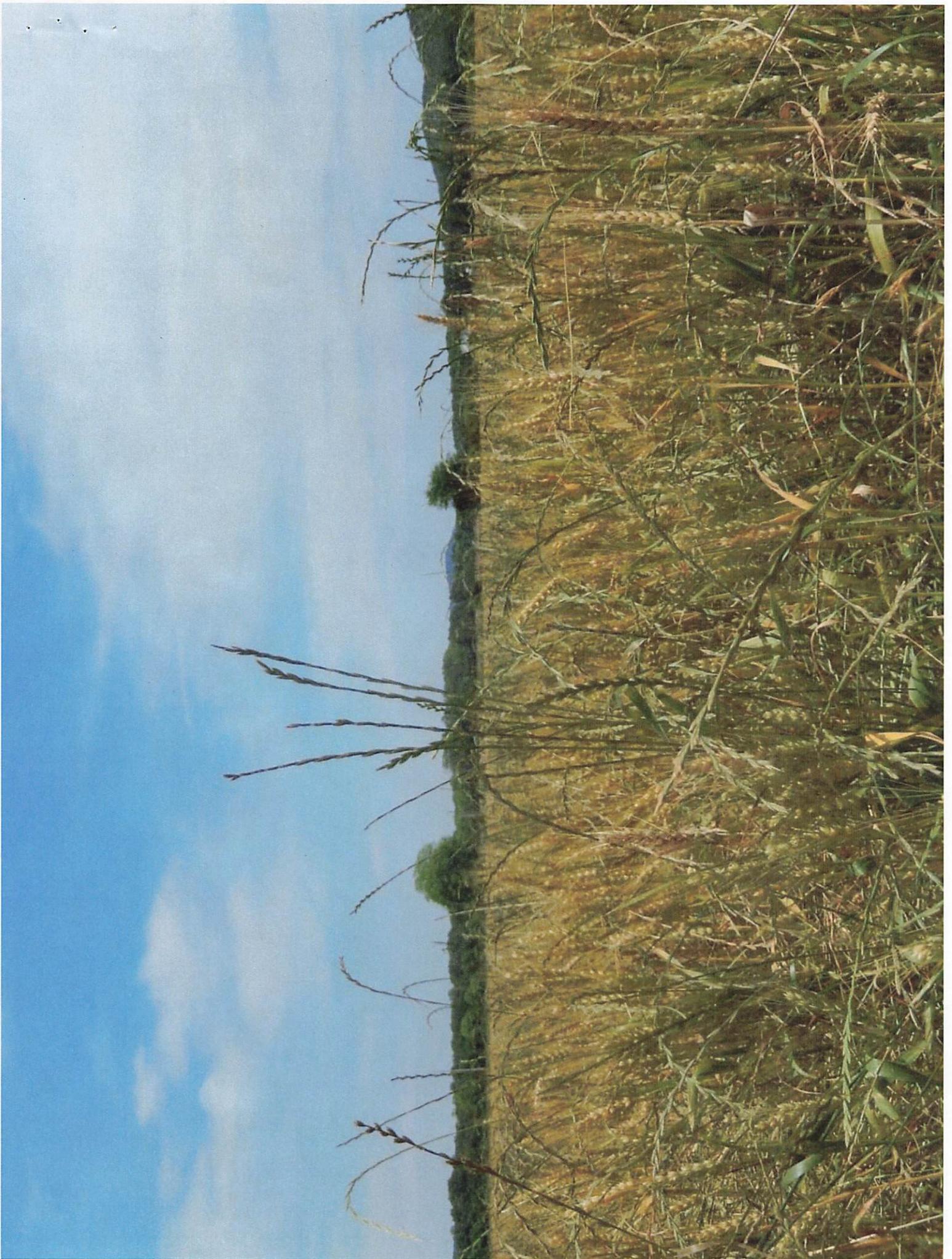
(000) Acres and Percent Change from Previous Year



Arkansas Average Wheat Yield 1992-2023

10 bu/acre yield gain in 30 years
~ 0.33 bu/acre increase/year

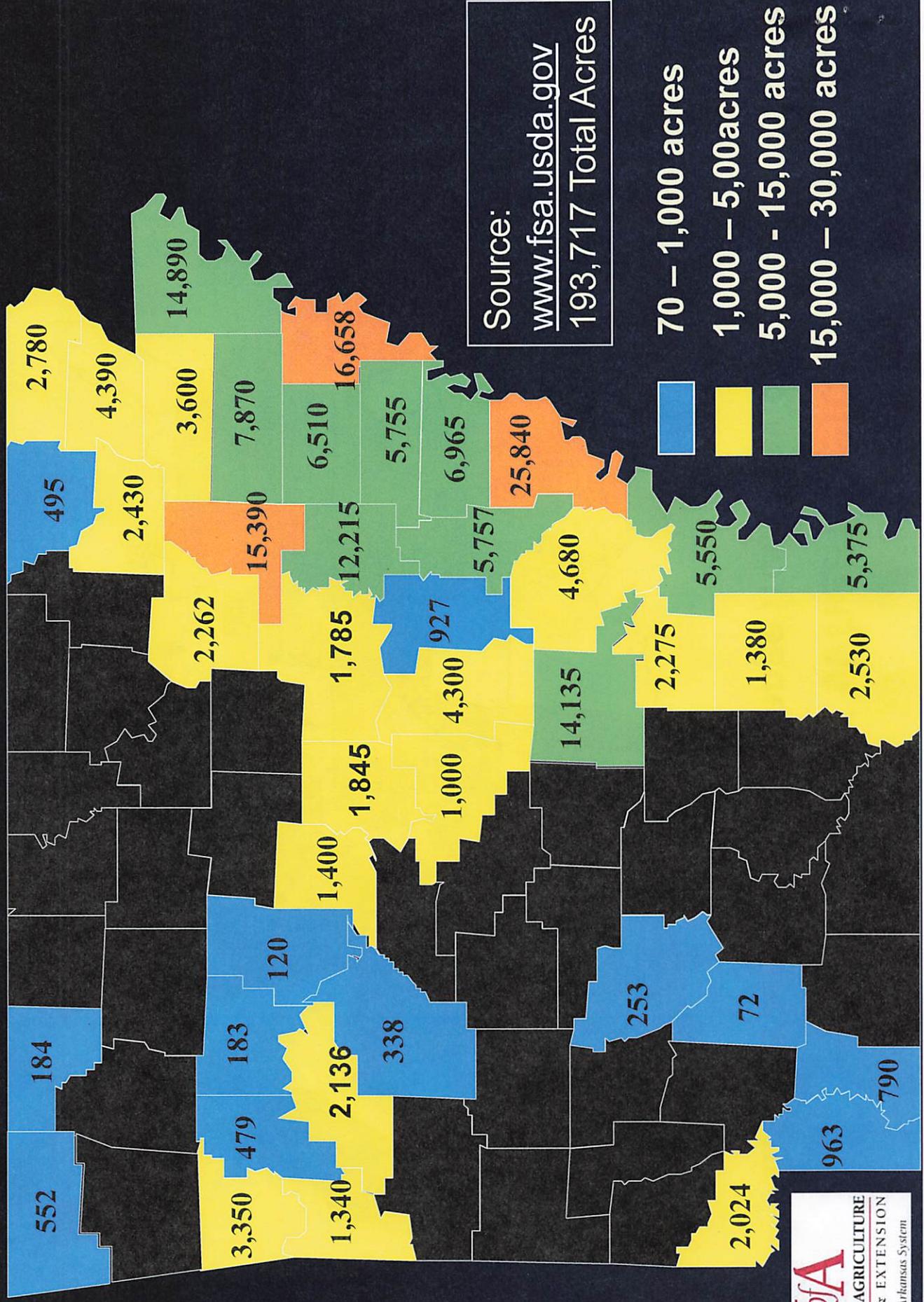




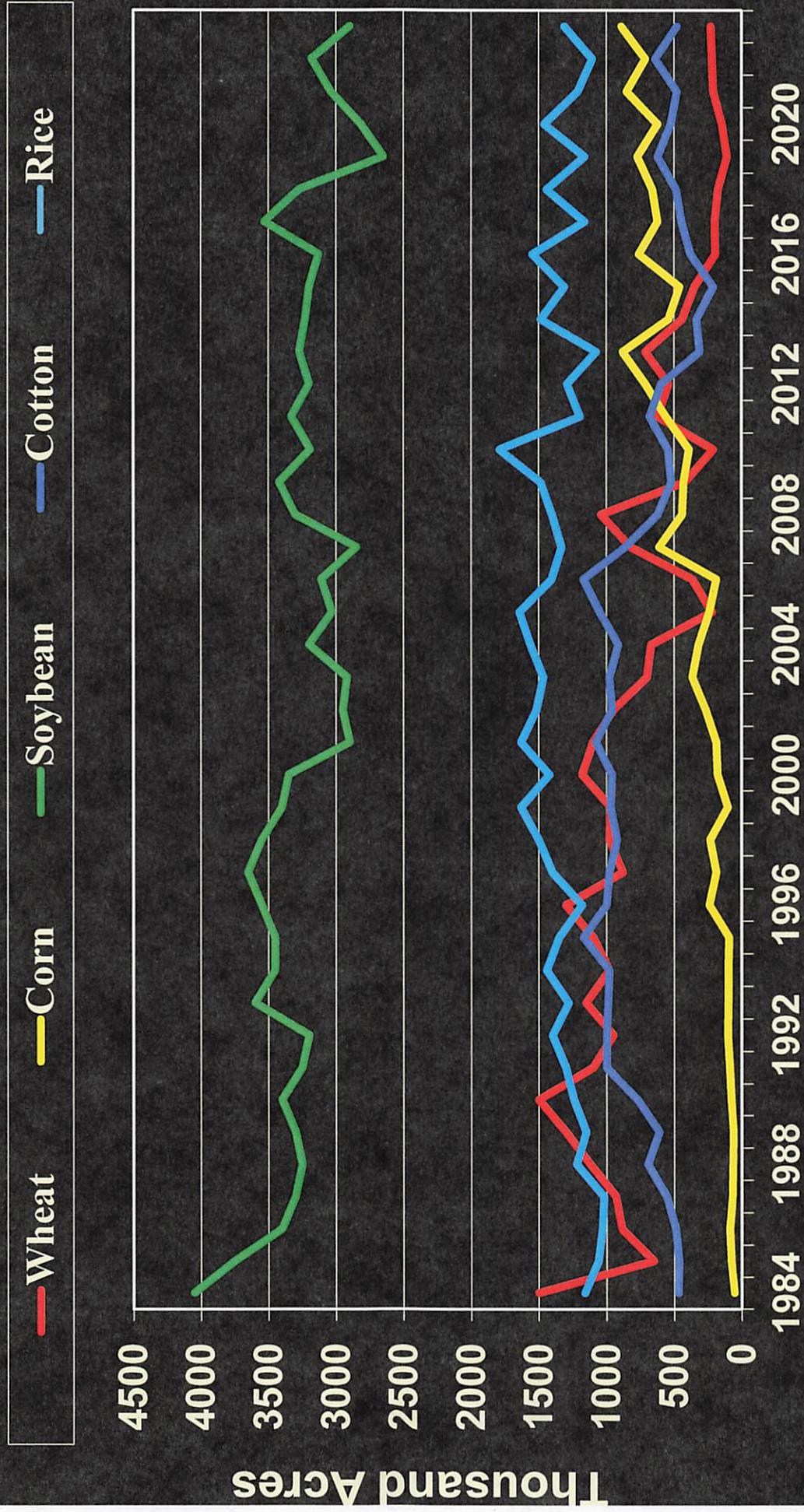
Ryegrass is Not Going Away



Wheat Acres (for grain) in 2022-2023



Arkansas Crop Acres 1984-2023





DIVISION OF AGRICULTURE
RESEARCH & EXTENSION

University of Arkansas System

Pest Management Using Recommended Wheat Varieties
2023-2024

Drs. Terry N. Spurlock, Jason Kelley, and Nick Bateman

Pest Management Using Recommended Wheat Varieties

Specific Objectives:

1. Create a list of recommended wheat varieties using results from the Arkansas Wheat Variety Testing Program.
2. Compare disease severity on recommended varieties against varieties known to be susceptible, with and without fungicide applied, and provide a simple explanation of profit margins by growing each variety.
3. Determine the value insecticide seed treatments provide in wheat production.
4. Develop an economic threshold for rice stink bug in wheat using a sweep net.

Funding for year 3: \$14,906



VARIETY LISTS FOR 2023 - 2024

VARIETY	PINE TREE		ROHWER		KIBLER		KEISER		MARIANNA	ALL LOCATIONS 2022	ALL LOCATIONS 2023
	FHB 2022	SEP 2023	FHB 2022	SEP 2023	FHB 2022	SEP 2023	BLS 2023	SEP 2023	YIELD (bu/A)	YIELD (bu/A)	
Delta Grow 1200	4.25	3	0.75	5	1.25	2.25	1.5	4.25	93.8	92.9	
Delta Grow 1000	2	2.75	1.5	5.5	1.2	3.75	4.25	4.25	86.3	86.3	
PROGENY #BINGO	2.75	3.5	1.5	5.25	1	3.0	1.75	3.5	89.5	90.4	
PROGENY #TURBO	1.5	3	1.25	5.5	1	3.25	2	4.5	89.9	84.1	
Dyna-Gro 9120	1.25	5.25	1	4.75	1	3.5	0.5	5.25	89.9	78.9	
AgriMAXX 514	1.5	6.25	1.25	5	1	3	0.5	4.25	89	87.4	
Delta Grow 1800	1.5	5.5	1.5	8	1.75	4.25	1.5	7	85.1	77.3	
Dyna-Gro 9701	1.75	1.75	0.75	6.25	1	3.25	2.5	3.5	83	85.6	
Dixie Brown	1.75	2.25	1	5	1	3.25	1.75	3.75	80.8	86.4	
AgriMAXX 473	1.5	2.25	0.5	5.25	1.75	4	3.75	4.25	80.3	84.8	
AVERAGE	2.75	4.09	1.19	5.6	1.4	3.7	1.96	5.2	82.6	81.7	
HIGH	6.3	9.0	3.5	8.5	3.3	9.0	8.0	9.0	93.8	92.9	
LOW	1.0	1.5	0.3	2.0	1.0	0.0	0.0	1.0	65.2	58.8	

Disease data were collected using a scale of 0-9 where 9 indicated the most severe disease.

FHB - Fusarium head blight, SEP - Septoria tritici blotch, BLS - Bacterial leaf streak

Arkansas Rows Crops Blog Article

For the selection process, let's consider what would be important and how those characteristics might be prioritized in the list below.

1. Included in the last two years of the variety testing program.
2. In the 'higher yielding' group across all locations for both years.
3. Low Fusarium head blight.
4. Low stripe rust.
5. Lower levels of Septoria.

The screenshot shows the top navigation bar of the Arkansas Rows Crops Blog. It includes a 'Quick Links' dropdown, the 'Division of Agriculture' and 'Agricultural Experiment Station' logos, and social media icons for Facebook, YouTube, Instagram, Twitter, and Messenger. Below this is the 'ROW CROPS' logo and the 'U of A' logo with the text 'DIVISION OF AGRICULTURE RESEARCH & EXTENSION University of Arkansas System'. A search bar is labeled 'Search Crops Blog' with a 'SEARCH' button. A horizontal menu lists categories: 'FARM & RANCH', 'YARD & GARDEN', 'BUSINESS & COMMUNITIES', 'ENVIRONMENT & NATURE', 'LIFE SKILLS & WELLNESS', and '4-H & YOUTH'. The breadcrumb trail reads: 'Arkansas Rows Crops / Posts / A process for choosing wheat varieties to manage disease in 2023'. On the left, there are subscription options: 'Subscribe' (with an envelope icon), 'Subscribe to Post Updates from Arkansas Row Crops', 'Sign Up for Newsletter Updates' (in a red button), and 'Subscribe to SMS Updates from Arkansas Row Crops'. Below these is the 'AR Row Crops Text Updates' section, which includes a sign-up prompt: 'Sign up and get the latest news and advice from our specialists!'. It features three input fields: 'First Name', 'Last Name', and 'Mobile Number'. A checkbox area contains the text: 'I would like to receive text messages, and agree to the Terms of Service & Privacy Policy. Reply STOP to cancel, HELP for help. Msg & data rates may apply.' On the right, the article title is 'A process for choosing wheat varieties to manage disease in 2023' by Dr. Terry Spurlock and Dr. Jason Kelley. Below the title are 'Key Points' and a section titled 'Economically Important Wheat Diseases in Arkansas (The Big Three)' which includes a paragraph of text and two images: one showing a wheat head with blight and another showing a close-up of a wheat leaf with yellow-orange lesions.

<https://arkansascrops.uada.edu/posts/disease/wheat-variety-rec-2023.aspx>