



California Wheat Commission Office 1240 Commerce Ave. Suite A, Woodland, CA  
**CWC Steering Committee Meeting July 9, 2018 (11:00 a.m.)**

## Conference Call Attendance

Access Number Participant: = +1 408-638-0968 (US Toll) or +1 646-558-8656 (US Toll)

Participant Passcode/Meeting ID: 466 870 1284

Join by Link: <https://zoom.us/j/4668701284>

	<u>Call In</u>	<u>Attending</u>
1. Scott Schmidt	Yes	
2. Lee Jackson		Yes
3. Ron Rubin	Yes	
4. Steven Windh	Yes	
5. Bill Cruickshank	Yes	



## Steering Committee Meeting Notice

Sent and posted June 28, 2018

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### Via Teleconference Call

**DATE:** Monday, July 9, 2018  
**TIME:** 11:00 A.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:** 1240 Commerce Ave. Suite A  
Woodland, CA 95776

*Board Members wishing to participate in the meeting VIA TELECONFERENCE CALL must notify Crystal Sandoval via email to ([csandoval@californiawheat.org](mailto: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

- I. Call to order/ Roll call/ Establish Quorum Chairman Scott Schmidt
- II. Public Comments
- III. Approve agenda
- IV. Approval of previous meeting minutes from May 31, 2018
- V. Summary from previous meeting
- VI. Review and discuss initial plan
- VII. Propose timeline and approach
- VIII. Future Meeting date options – August 21, 22, or 23
- IX. Public Comments
- X. Adjourn

*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 Crystal Sandoval at 530-661-1292, or 1240 Commerce Ave., Ste. A Woodland, CA 95776, or via email at [csandoval@californiawheat.org](mailto:csandoval@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 are available on the Internet at [www.californiawheat.org](http://www.californiawheat.org)*



Accepted by the Commission Board on \_\_\_\_\_

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

**MINUTES OF MAY 31, 2018**

OPENING BUSINESS

Call to Order

A meeting of the Steering Committee of the California Wheat Commission was held on Thursday, May 31, 2018, via teleconference call. Committee Chairman Scott Schmidt called the meeting to order at 10:03 am.

Roll Call

Roll Call was conducted. Committee members present were:

Scott Schmidt- Chairman  
Lee Jackson  
Ron Rubin  
Steven Windh  
Bill Cruickshank

A quorum was present.

Introduction of Guests

Guests present for all or part of the meeting included: Nick Matteis, Executive Director, California Association of Wheat Growers; Jorge Dubcovsky, UC Wheat Breeder, George Fohner, and Kirk Elholm.

Approval of Agenda

**#1: MOTION WAS MADE BY STEVE WINDH AND SECONDED BY BILL CRUICKSHANK TO APPROVE THE AGENDA. MOTION CARRIED WITH NO ABSTENTIONS.**

Overview

Claudia gave an overview of her view and strategies for California wheat, and thanked the committee for their time and commitment. She explained that the purpose of this first meeting is to introduce her vision for California wheat and to explore potential ideas. Feedback from the committee is crucial in order to come up with a plan to start from. The purpose of the committee is to provide direction to a new era in the California wheat industry and to bring ideas forward to our board as a proposal. Also, to ask their input to develop a written California wheat plan. Claudia further explained her vision;

Vision: simple – to create a brand for CA wheat in order to complete this task we need to explore different strategies to effectively utilize our valuable time and resources.

Marketing strategy is also pretty simple: - big picture. We utilize the old method of Logos, Pathos, and Ethos.

Logos – Logic and facts --- we will generate data and facts about CA wheat – to the specific areas such as: quality, wheat production, contributions to CA economy or producers, sustainability, agronomics and management.

Pathos – values, emotions and beliefs --- Who is our founder and who is in charge of this program – all of you – wheat producers from CA. Then you should be highlighted constantly and create stories – Dennis Pelucca story and durum and history. Millers and End users play an important role as well. (Hayden flour mills story)

Ethos – trust and authority – UC Davis CWC and other well-known entities that create the trust for others to believe what we state. Communicate effectively – credibility.

The committee discussed Claudia's view for California wheat, and shared feedback. Scott agrees her ideas are a great way to start, Lee mentioned it will involve a much larger group in the long run, that will extend past the wheat commission board. He feels we can develop a good plan we just have to pay close attention to the details.

### Challenges/Opportunities

The committee discussed potential challenges as well as opportunities that can arise in the process of implementing a plan. Lee mentioned end users will be key challenge since they would be ultimate deciders in what they are looking for in California wheat. Steve added to the comment mentioning the commission would not be able to take on the responsibility to regulate all uses of wheat, it would be too much of large scale, and would most likely fail. The grain sector is where focus can be at, to face those challenges like we have seen before where forage wheat variety made its way to the milling industry and brought down the quality for California wheat. Bill mentioned the wheat industry market is receiving pressure worldwide, with a depressed price, and competition with permanent crops. Key would be to have a crop that can be market similarly to what has been done for Desert Durum and focus more on novelty crops such as what the breeding program at UC Davis is working on, for example gluten free wheat. Claudia agrees with Bill we need to market California wheat differently. Ron mentioned that when Desert Durum came to market we had a competitive edge at the time, overtime the wheat milling industry standards went down in order to accommodate a shortage in the market. Claudia mentioned an example where garbanzos were grown specifically for a niche market which was canning for a premium, which is similar to what are trying to do for wheat. Australia marketed their wheat to the Asian noodle market by identifying the product desired quality characteristics and presenting to them those specific varieties that can meet those needs. Claudia thinks we can apply a similar strategy by identifying those quality characteristics desired for the end product and come up with a new way to

market the wheat using that information. Further discussion took place about the industry, and those quality standards they are looking for in their wheat.

### Potential Strategies

Steve addressed the board and gave a summary on the potential strategies based on the discussion:

#### **Short Term – Survival mode**

Areas to be addressed on this early stage: Study the current and future markets; including artisan millers and bakers, specialty wheats, other uses of wheat (spirits, malting and brewing), nutritional trends, others? In the state, national, and maybe even international?

#### **Intermediate Term – Initiation process of CA Wheat differentiation**

Research novelty wheats, and plan for an IP Program. Start developing alliances/partnerships with key players in the industry (Handlers, millers, end-users.) Launch education programs.

#### **Long Term – Implementation of dedicated program developing unique/novel wheat – Differentiated product**

Establish IP Program for specific novelty wheats – planting to end product that goes through a registration process to obtain a label. Implementation of Certification Program for novelty wheats – based on contracts. Proprietary wheats – CA Wheat branded (trademarks). Domestic and International marketing efforts.

Claudia agreed with Steve he put the strategies into perspective, which aligns with her ideas. Ron mentioned there is disconnect in the industry between all involved parties, Lee added potentially to get around the problem we could implement an IP program. Challenge would be that private industry can take the same route. Steve made a comment if the breeding program comes up with a certain gene are we able to somehow own it instead of making it public like we have done in the past, in order to give California wheat a competitive edge. Scott mentioned some programs, the tomato industry, and Supima cotton growers. Supima developed a program where they are able to track their crop all the way to end user product. Those would like to use Supima cotton had to be registered users, this way they were able to keep varieties separate. We can apply a similar program for California wheat and use the CA wheat logo and the Desert Durum logo. It would have to be through contracts with growers to make sure they follow best management practices in order for the program to succeed. This can be a key part of a bigger strategy for California wheat. Scott also mentioned the benefits of small grains in our diet, which there is a lot of research already out there that can be used to promote California wheat. The commission would have to team up with bakers and millers for this type of campaign, competitors would be more willing to work together if it would be to both their benefit.

Nick brought to the commission an idea he had to open a commercial bakery facility in downtown Sacramento, that can be a highly visible to the foot traffic in the area, so they are able to see the baking process. It would be a good idea to consider taking into account the financial responsibility and priorities for the overall plan for California wheat. Claudia agrees it's a great idea to promote wheat and showcase artisan bakers. George brought to the board question what the artisan bakery market size is in California. Claudia feels that would be something to look into and moving forward it would be beneficial to include the artisan bakers in the overall strategy for California wheat. Claudia mentioned logistic is a challenge they face as well as for small mills, since not very many want to work with the smaller quantities they require. Scott mentioned that it's a potential

market opportunity, there is no hard date to measure their impact at this time. Steve mentioned he has tried to help a small mill acquire a small amount of grain and was not able to with the existing infrastructure. Further discussion took place about artisan bakers, and small mills and their potential impact in the market. Claudia will be sending a summary draft on the short, intermediate, and long-range plan to be discussed at the next meeting. Scott mentioned an idea that in the future we can set up an open forum meeting where millers, handlers, and breeders can meet and have open discussions similar to the California tomatoes meeting he attends. George asked what has been done to address the issue with the low-quality wheat reaching the milling industry. Claudia commented that mills communicated with handlers what varieties they would no longer take, and the commission is working on a preferred variety list in collaboration with Jorge Dubcovsky using statistical data that would showcase what varieties are suitable for specific end products.

**#2: MOTION WAS MADE BY RON RUBIN AND SECONDED BY STEVE WINDH TO ADJOURN. MOTION CARRIED WITH NO ABSTENTIONS.**

Meeting adjourned at 11:02 am.

Respectfully submitted,

\_\_\_\_\_  
Crystal Sandoval, Office Assistant

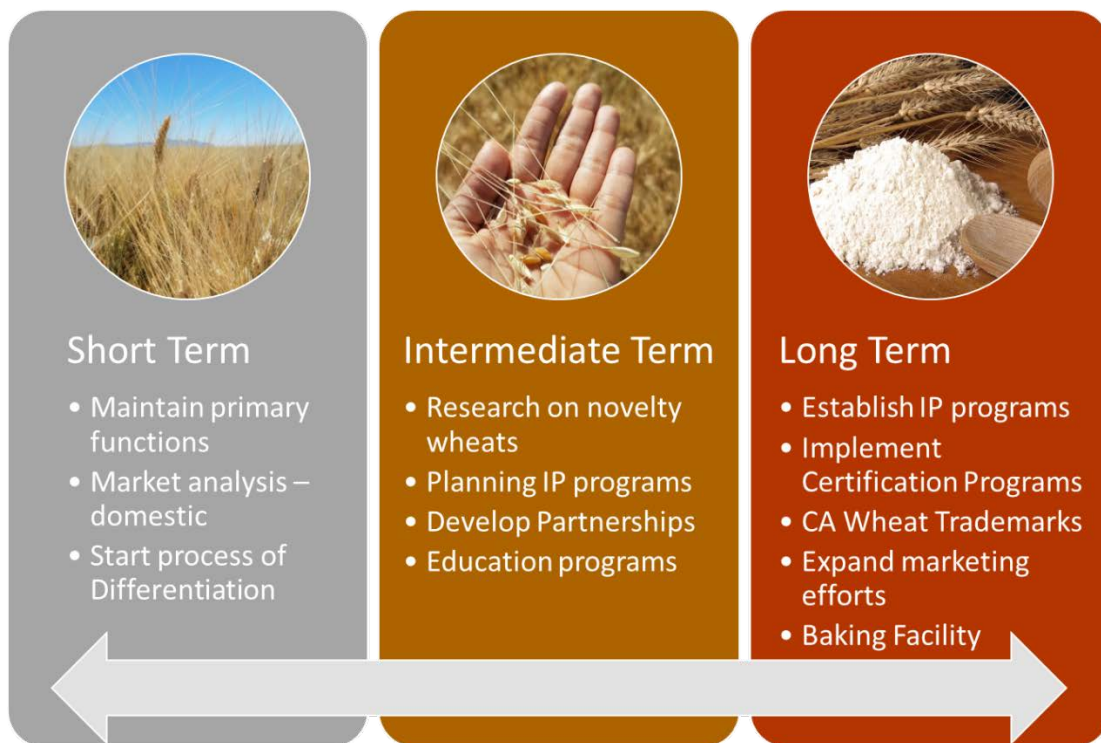
Accepted by the Commission Board on \_\_\_\_\_, 2018

\_\_\_\_\_  
Scott Schmidt, Steering Committee Chairman

### Project Outline for California Wheat

To create a greater impact for California wheat producers, a completely different path will have to be established. The functions of the California Wheat Commission will continue to be the same; but with a new direction of our funds to support the development and marketing of novelty wheat varieties. Though, the Commission shall continue its efforts to support research and market development for all California wheat producers. I encourage you to look at this as an additional program the Commission will launch to differentiate from others and to increase the perceived value of California wheat.

There is no doubt that we will encounter difficulties along the way; however, I am positive that many will welcome and support this innovative approach by which California Wheat Producers will be positioned as pioneers. Based on your comments and ideas I have outlined the project:



#### Short Term – Survival mode

Areas to be addressed on this early stage: Study the current and future markets; including artisan millers and bakers, specialty wheats, other uses of wheat (spirits, malting and brewing), nutritional trends, others? In the state, national, and maybe even international?

1. To continue our major functions:
  - a. Identify the wheat types and quality the mills are using to satisfy their various flours and blends.
  - b. Develop wheat classification based on quality and end-uses – already developing with UC Davis and Collaborators meeting.
  - c. Overall understanding of our wheats and market them well.

- d. Strengthen current marketing efforts: promote existing logo for marketing purposes; create stories about CA wheat featuring growers, millers, end-users; partner with entities already promoting CA grown and farm-to-fork movement.
  - e. Initiate a Wheat Facts educational program and partner with millers and bakers to help us disseminate this information to the public. Generic information. CWC Wheat Initiative.
2. To start our process of Differentiation:
    - a. Identify the novelty traits in wheat that we could advance. Conversations with Dr. Dubcovsky
    - b. Identify Partners
    - c. Marketing Strategy: branding
    - d. Explore the possibility of owning wheats developed by UCD and funded by the CWC. Trademarks? Lee suggested that this might have the appearance of conflict of interest and we should treat all breeding companies in a non-biased manner.
    - e. Identify all the potential uses of those wheats (not only in bread, pasta or cookies, but any other industry that uses wheat)

### Intermediate Term – Initiation process of CA Wheat differentiation

1. Research on the novelty wheats
  - a. Intensive research and development on these traits.
  - b. Studies in various CA Regions and best management practices for the specific novelty wheats. Identify the key regions for growing IP varieties. Lee commented on using the UCCE's Wheat Production Manual. Encourage UC Extension - Mark Lundy to update key chapters of the manual.
  - c. Intensive quality testing and end uses of those wheats
  - d. Research on the scale ability of these types of wheat
2. Planning for an IP program
  - a. Certified seed program
  - b. Certification for growers
  - c. Certification for handling
  - d. Certification for users – millers and end-users
3. Start developing alliances/partnerships with key players in the industry (Handlers, millers, end-users.)
4. Education program
  - a. Including growers, handlers, millers, end-users, etc.
  - b. Setting up an annual meeting as an open forum to discuss our program. All industry together in one room.
  - c. Lee addition: Identify and invite key members of each wheat industry group to participate in developing the new CWC Program. The Collaborative meeting would provide a good forum for introduction of this effort and to extend an invitation to others.



**Long Term – Implementation of dedicated program developing unique/novel wheat – Differentiated product**

1. Establish IP Program for specific novelty wheats – planting to end product that goes through a registration process to obtain a label (Supima cotton model).
2. Implementation of Certification Program for novelty wheats – based on contracts?
3. Proprietary wheats – CA Wheat branded (trademarks).
4. Domestic and International marketing efforts.
5. Baking Facility to promote more California wheat and uses.
6. Lee commented that it will be essential to obtain "buy-in" for an IP program from all segments of the supply chain, from seed to final end-use product.
7. Jorge suggested that the model will need to be similar to Colorado, where a separate association manages the varieties of the University in a semi-private way. Jorge thinks UCD will not give up ownership.

**Comments sent by Mark Lundy:**

- Include the timeline over which these objectives are intended to take place.
- Good management practices and branding opportunity – not specific research and information available, yet. The benefits of wheat as a rotational crop have not been quantified in CA Ag context. And, developing a new set of information that speaks to rotational contributions of wheat to the broader California cropping system is a research undertaking. – RESEARCH OPPORTUNITY.
- His program is helping to bring information to growers to help them achieve a more precise and sustainable management program. He thinks we could utilize this for marketing and branding purposes, but there is still working to do in this area.
- Mark is working at its highest capacity with his people and funding, and anything else on top of what he is working on will need to wait or more funding money will have to be allocated.

**Comments from George Fohner:**

- He suggests having some numbers about the potential market that is out there. We do not have a good idea of how many bakeries, tortilla manufacturer, or pasta manufacturers, etc that are in California. This information is probably done by the big companies when they study the market. We might want to consider doing an actual study, or putting numbers together based on other sources.
- George provided just some ideas on the numbers and the approach we could utilize, but there is a lot to do on this area.

July 5, 2018

## Putting our California Wheat Plan into Action

The purpose of this document is to keep you updated on the different activities I have already started. This is to keep our plan moving for the objectives we have defined as reachable in the short term. Specifically, for the branding part of our plan.

- Communication is key: I have updated and included many other features and information in our new website. Please take some time to review the website and information. Any feedback will be helpful: <https://www.californiawheatcommission.org/wheat-classes>
- CA Wheat Logo. We have a Service Mark for our California Wheat Commission logo. We also have given permission to utilize the logo below to Miller Milling to include it in their packaging. However, this logo is not a trademark. I propose we make it a Trademark and it will become a Certification Mark (to authorize permission; which will indicate even further use such as – minimum of 75% CA Wheat in their products, for example). I talked to Jill about this and it should be an easy process since we already owned the rights of the CA Wheat Commission logo. The trademark cost will be ~2,000 – 3,000. We will discuss more about this during our call meeting.



- Partnering with CA Grown. CAGrown is already being used in other products and it seems that it has already its name in the marketplace. Nick Matteis will talk more about our options.



- On July 11<sup>th</sup>, Nick Matteis is coming with me to Fresno to meet with Miller Milling. Several representatives from the Mill will be part of this meeting, including their marketing people. We will be talking about the opportunities to continue utilizing the CAWheat logo, as well as the CAGrown logo.
- Riviana foods (pasta manufacturer) has asked many questions about this idea of the logo and the regions to utilize in their packaging. I will keep you updated about this.

July 5, 2018

- Social Media has been key for us lately. I am actively engaged in Instagram and LinkedIn. I believe this is already creating an effect on entities and consumers who are starting to talk about what we are doing. I believe this will continue to be our most important communication tool.
- I have started our Open House program. I hosted our first Open House last week and it was a success. CEO from Arcadia visited us during the open house and asked a lot of questions about CAWheat branding and the logo. Also, there was a grower who visited us, and he has an interesting project related to wheat. I will talk more about this as well. We plan on doing 3 to 4 open houses per year.
- I visited Hayden Flour Mills in Arizona this week. I visited them because they have a unique operation going on. The mill is growing, and they just moved to a bigger facility. A grower who provided the wheat to them saw an opportunity. The grower set up his own cleaning and storage facility right next to the mill. The grower is also sourcing grains from others around that area. He said there was a lack of cleaning and storage facility that could handle the amount of grain needed for these kind of operations; however, he said there is a tremendous potential since this is growing. Their marketing strategy: utilize a single variety for milling (IP) and local only. The mill also saw an opportunity to make their own products - They will utilize the Desert Durum logo for their products. The flour and the products are sold around the US and Whole Foods carry their products. The estimate I got was that he has invested >\$250,000 into this facility – equipment and electrical (the grower owns the land). There are pictures I took of the grower's cleaning and storage facility. I have created a link for you to see the pictures of this trip: <https://photos.app.goo.gl/mGYyemuw62Z7hzEP8>

For now, this is all I have for you.

Please review this information and bring your questions to our discussion on Monday, July 9<sup>th</sup> at 11 AM.

Sincerely,

Claudia Carter