

2020 Kernza call series: Current and prospective growers, industry, partners

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Linda Meschke, Al Kraus, Bill Jokela (Goodhue County), Cory Dirst (La Crosse WI, Grower), Linda Bolik (Land Conservancy, IL), Colin Cureton (UMN), Jake Jungers (UMN), Prabin Bajgain (UMN), Jess Gutknect (UMN), Jim Anderson (UMN), Connie Carlson (UMN), Paul Novotny (grower), Jay Peterson (S. Central MN, Looking for acres to grow kernza), Carmen Fernholz (grower), Peter LaFontaine (FMR), Tessa Peters (TLI), Luke Peterson (grower), Justin D. (Alberta Canada), Dylan Bosh (Luverne, MN - prospective grower)

Debrief: MOSES Conference

-Interest is growing, message is getting out there. Well received.

Paul Novotny -Yield potential on MN Clearwater? -- 2019 - average of 500lbs/acre with minimal inputs.

-- Is there an optimal for harvesting conditions? Reducing harvest loss is a priority, is there good data on the harvest? -- Jake: I think we have better information for when to harvest, but re: equipment/system is really case by case. Colin -- we will have more resources in 2020 for providing TA support and helping growers to make good production decisions.

Carmen -- I had an opportunity to help with three different harvests this year -- swath, draper and stripper head. His impression is that stripper has got good potential and encourage growers to look at it.

Carmen -- The 500lbs/acre is combine/out of the field, right? (yes) Do you have final numbers on the remaining yield?

Colin: we are seeing something around 30-40% remaining (loss of 60-70% in cleaning and dehulling process) Jake: we expect that to get better with time. There are new ways in process to develop more efficient cleaning/processing.

Paul N: What's the process in place for crop certification/insurance?

Colin -- we are in the process of compiling the information necessary for insurance. Insurers that have been engaged thus far want more information on yield, risk, and market performance.

Stan Vanderkooi wanted to check the "wheat" box, but recommended he check the "perennial forage" box.

Tessa: we need three years of data to get specialty crop insurance applications.

Carmen: Any information of this affecting your cropping history? Tessa: don't know the answer to this question. Carmen: I only mention this because in gov. Programs may be affected by cropping history. Paul: What I've seen is that 4-6 years must be a row crop and this isn't

considered a row crop. This would eliminate the ability to put land into CRP. Colin: what was the appropriate category? Paul: Not sure what it was, there was a "catch-all" spot.

Jake Peterson: is the seed all certified organic seed? -- Colin: No seed is certified organic yet. Jake: all I need is a non-gmo letter. Colin: yes, we've been distributing those letters to growers who need them.

--Segue to marketing conversation--

Carmen: The bottom line for growers -- we need to think of putting ourselves together to develop some structure. I'll put the co-op approach forward, but am open to other suggestions. My concern is that the grain will become exploited. I believe we will always be looking at smaller gross yield and what that means for market development. We have to think in terms as a single voice in going to the market -- we want to provide a service to the end users -- providing a robust, reliable source of Kernza.

Perhaps we can have a call of potential growers later in the month to talk about structure. Ex: Sugar beet growers who manage through shares, or Organic Valley who has a quota.

Paul: It seems like some of it makes sense, but it depends on what the details are. Would this be for region? Area? Country? Control of the seed will dictate who the growers are. Curious about the seed, where it comes from, etc.

Colin: The ask may include an exclusive license to certain groups. There are tradeoffs, of course. It's yet to be determined. My role/I'm very interested in putting the fate of the Kernza variety into the hands of growers. We are trying to build a model to protect the promise of Kernza and the seed needs to go into the hands of organized growers. Much more preferential to put Kernza into the hands of organized growers.

Carmen: I think for us to protect the future of Kernza, we'd be looking at a large geographic area of the midwest. They could function a lot like the OFARM model, the co-ops communicate with each other. He can see a family of co-ops managing Kernza. Bottom line: it's in the hands of the growers. I would welcome being part of the leadership that would put this together.

Jake: Any procedures to protect imported grain?

-Colin - - there is very limited international grain production of Kernza. The license can determine whether or not there is international production.

-Tessa -- because the trademark is owned by TLI, if we have clear boundaries around the co-op, the trademark can strengthen it.

Kurt Kimber: Please talk about the kamut model. Colin - Kamut International, it's a trademark name on an ancient grain variety. They control the trademark and marketing of the grain. Promoting and ensuring the quality of the grain. A good model.

Brandon Dingman: Has been thinking something similar for Kernza. Agrees that a more singular voice for Kernza is needed.

What is the target price?

-- Carmen -- as a grower, my target is comparable to organic soybean. Needs to compete with income potential for corn, soy or wheat. Kernza needs to be competitive with those grains. I think we also need to look at risk and market development. Don't have a TW and yield fluctuates.

If I'm looking at planting this year and harvest next year, and I go to banker, what do I tell him?

-- Colin: I usually have a one-on-one follow-up call with growers to look at situation. We have an enterprise budget to review and supply chain tools to review.

-- Carmen: When I grow organic soybean, I have a bin run number and then per cleaned unit of seed. (two payments). That's a model we can look at. This payment structure

Carmen: By really going with Kernza we are ratcheting up the stewardship of the land. I think growers need to be compensated for the ecosystem services.