

ARKANSAS COTTON GROWER'S ORGANIZATION, INC.

Minutes of the
July 30, 2001 Meeting

Arkansas State Plant Board
Little Rock, AR

Members present were Joe Burns, Mark Bryles, Perry Stratton, Trent Felton, Don Alexander, Charles Tilmon and Ritter Arnold. Jack Carey, and Hal Hyneman were not present.

Others present were Cal McCastlain, attorney for ABWEP; Doug Ladner, Mike Catanach, Danny Kiser, Patty Carr, and JoAnn Arnn, ABWEP; Cecil Williams, Ag Council of AR; Jim Plato, Plato Industries; Gus Lorenz, U of A CES; Dotson Collins, Governor's Office; David Blackburn and Scott Longing, ASPB; Arnold Jochums, Attorney General's Office; Carol Griffey, Jonesboro Sun; Ron Harrod, AAAA; and Ronnie Antici, Griffin L.L.C.

Chairman Burns called the meeting to order at 10:15 a.m.

Doug Ladner led in a word of prayer.

Approval of July 10, 2001 meeting minutes

Chairman Burns asked if there were any corrections, deletions, or additions to the July 10, 2001 minutes. There were none. Mark Bryles moved they be approved as mailed. Perry Stratton seconded and the motion carried.

Update on Assessments

Don Alexander reported that Tyler Farms, Wabash, Heidelberger, Richmond, and E. V. Farms have all agreed to settlement of assessments plus an interest of 8% beginning July 16, 2001. The following schedule of payments is proposed. Tyler Farms will make one payment on October 15, 2001, Wabash will make one payment on August 15, 2001, Heidelberger will make one payment on October 15, 2001, Richmond will make one payment on November 1, 2001, and E.V. Farms will pay \$10,000 on August 25, 2001, \$10,000 on September 25, 2001, \$25,000 on October 15, 2001, \$25,000 on November 15, 2001, half of what is still owed on December 31, 2001, and the remaining on January 25, 2002. Based upon the information that was provided on the extension requests and the negotiations with these entities, Alexander believes these are reasonable settlements for extension of the payment. He moved that these be accepted by the Board as reported. Charles Tillman seconded.

Ritter Arnold asked if the Board will be secured, or is this a promise to pay.

Alexander stated that a compliance agreement will be signed by all entities. Cal McCastlain interjected that the security, the certificate of compliance could be revoked if payments are missed, and a full penalty would be assessed at that time of default.

Mark Bryles asked if there was any reason to believe that any of the parties were going to take bankruptcy. Alexander said he has no information regarding any steps being taken in that direction.

Chairman Burns asked for other discussion. Ladner requested that in the future the payments be kept in the same fiscal year.

Perry Stratton asked what position it leaves the Board in, if they don't ratify the settlement agreements.

Alexander said the only position they would have at that point would be to file a lien on the cotton.

There was more discussion. Mark Bryles expressed concern that in the future there would be more requests for extensions.

More discussion followed.

Alexander stated that he was in error in his motion because the motion at the last meeting was that Wabash pay fees plus 8% interest from July 15 through August 15. August 15 deadline they will pay all fees including 8% interest and that Tyler Farms will pay all of its assessment by October 15, including an 8% interest. If payments are not paid by August 15 or October 15 then full penalty assessment would be assigned to any further payment. Motion carried at the last meeting, so those two have been addressed previously.

Alexander withdrew his original motion. He then moved that Heidelberger pay fees by October 15, 2001, including 8% interest, and that the compliance certificate be held. Trent Felton seconded and the motion carried.

Alexander moved that Richmond pay fees by November 1, 2001, including 8% interest, and that the compliance certificate be held. Mark Bryles seconded and the motion carried.

Regarding E. V. Farms, Alexander made the motion that they split theirs, paying \$10,000 on August 25, 2001, \$10,000 on September 25, 2001, \$25,000 on October 15, 2001, \$25,000 on November 15, 2001, half of what is still owed on December 31, 2001, and the remaining on January 25, 2002, that a lien goes into effect immediately and that the certificate not be issued until the October payment has been made. Bryles seconded and the motion carried.

Copies of the 2001 Cotton Acreage Assessments (Attachment 1) were provided. Mike Catanach pointed out that 730,830.4 acres have been mapped. The discrepancy between this figure and the figure shown on Attachment 1 is somewhat due to the fact that acres included in exemption requests are not included on Attachment 1.

Chairman Burns asked if cotton is hailed out now, does the grower have a claim for reduction or refund of assessment. Ladner said it depended on what has been expended as far as cost.

Director's Update

Copies of the Director's Update (Attachment 2) were provided. The following addition information was provided by Mike Catanach.

Lindsay Thomas has been chosen to be the District Supervisor at Trumann.

The Assistant District Supervisor position in Rector has been opened.

Mist blower applications are starting in the NERZ today (July 30, 2001).

Aerial applications were started on Wednesday, July 25, 2001.

The grower meeting in Trumann Tuesday, July 24, 2001, went very well.

There is a meeting Tuesday, July 31, 2001, in Rector.

Aerial certification has started.

Contractors are going through training.

Danny Kiser provided a PowerPoint presentation detailing trap counts and progress of the program:

Southwest - .045 weevils per trap

Southeast - .029 weevils per trap

Central - .075 weevils per trap

Alexander asked if Ladner expects that next year aerial applicators will increase their bids based upon the decrease of acreage they are making applications on. Alexander said he has had several tell him that they are really in trouble. They bid this year based upon last year's applications, and this year's reduction is causing them financial hardship. Alexander feels that some privilege or priority should be given in the future to those who have stayed with the Program.

Ron Harrod said at the last meeting he attended he talked about the fact that as he got specific complaints he would come and talk to the staff. He said he could report that he has not had one specific complaint since that meeting. He said everyone is working well together.

Chairman Burns expressed appreciation to Dotson Collins for coming to our meeting. Burns asked him to tell the governor that his effort in the session of getting the funds to help the Program was appreciated and that all of that money was rebated back to the growers across the state. The growers wanted to convey to the governor that it was appreciated and helped them out in the time of need.

Charles Tillman asked if there is any problem with 500 acres of cotton in southeast Oklahoma being ginned in Lafayette County. Burns said he thinks they need to make sure that the grower is in compliance. Ladner said the assessment is being paid in Oklahoma.

Mark Bryles asked if there are significant problems in Louisiana. Ladner said there is a slight increase in the weevil count.

Chairman Burns asked for a report from the committee formed to hire a public relations person. Hal Hyneman was the chair of the committee and he was not present, so Alexander gave a report of his meeting with Ladner and Stratton.

He reported the following:

- The committee will move forward on establishing a job description.
- The person should have a strong farming background, along with some experience in journalism.
- The person should be hired full time, as quickly as possible, for a six-month evaluation. The Board would evaluate after six months to see the benefits.
- The person would work under Chairman Burns' direction, rather than the Program. This person would represent the Plant Board, the Grower Board, Farm Bureau, the Extension Service, the Boll Weevil Foundation, not as representative of those agencies, but report information that would come out from those different entities.

Ritter Arnold is the chairman of a committee, which was previously formed to establish job descriptions. That committee, along with Hyneman's committee, will work together to establish a job description for this position.

There was discussion of a referendum in Mississippi County. Cal McCastlain said that at the next meeting the Board needs to set a decision point by when we'll decide if we are going to conduct a referendum this fall, or winter, or not. He said some plan for dealing with a referendum needs to be put in motion on a time schedule.

There was discussion of quarantine. To conclude this discussion Mark Bryles stated that he thinks it is time to give some thought to what is going to be involved if Mississippi County and eastern Craighead County do not accept the Weevil Eradication Program.

Jim Plato reported that Plato Industries has been working closely with Ladner, Catanach, and Kiser on trapping supplies for next year – traps, pheromone, kill chips, and stakes. They have already placed the order for pheromone, which has to be placed six months in advance. They will begin producing traps in early to mid-October, and pheromone kill chips in January or February. Stakes will be coming in from Honduras in January.

Mike Catanach said that there had been a question at the grower meeting on the 24th about plow down rebates in the Ridge zone. Chairman Burns said that the same dates and amounts would be used that have been used in the other zones, \$4.00 per acre if plowed down by September 15 and \$2.00 per acre if plowed down by October 15.

Trent Felton said there had been some confusion among growers as to whether or not they were entitled to stalk destruction credit. Alexander said Scott Longing would work on a form that could be given to the growers.

The next meeting was set for Thursday, September 13, 2001.

JOE BURNS, Chairman