

ARKANSAS COTTON GROWER'S ORGANIZATION, INC.

Minutes of the
May 30, 2002 Teleconference Meeting

Arkansas State Plant Board
Little Rock, AR

The teleconference meeting began at 9:00 a.m. Don Alexander was present. Mark Bryles, Perry Stratton, Trent Felton, Charles Tilmon, Ritter Arnold, and Hal Hyneman were on line.

Others present were Cal McCastlain, attorney for ABWEP; Mike Catanach, Danny Kiser, Patty Carr, and JoAnn Arnn, ABWEP; Darryl Little, David Blackburn, and Mark Stoll, ASPB.

The purpose of the call was to have the Board members provide an up-date of the farming conditions in their areas. A large number of growers are still planting and/or deciding if they still have time to plant. With the deadline for the first half of the assessment only one day away, there was concern about late payments and how to deal with them. The Board discussed the possibility of putting off the date of the first payment of assessments for twenty days or so. Stratton asked for input from management and the State Plant Board.

Mike Catanach stated that the Foundation's cash position is okay to extend the deadline, but once the money did start coming in they would need to get it as quickly as possible from the Plant Board, possibly on a bi-weekly basis. Don Alexander said this could not be done. When asked how fast it could be done, Alexander said nothing shorter than fifteen days, from deposit to return. Alexander said all of the money would not be transferred, because there are a tremendous number of refunds. He said last year they held \$1,000,000 and refunded around \$400,000.

Alexander suggested sending out a notice that we will not address the penalty on any late payment until June 20. There would be no penalty on late payments because of the late crop, or late decisions, but growers should go ahead and pay the intended at best guess, and the penalties would not be put in place.

Hal Hyneman asked if it is decided to waive the penalty when more than the intended is planted, why is there a need to publish that right now. If the deadline is going to remain the 31st, he suggested handling the penalties after the fact, if they need to be handled.

Cal McCastlain advised against doing a blanket waiver on penalties on the front end. The penalties are in a regulatory fashion, so there is procedure for handling penalties. Also every factual situation may be different. He said the Board has set the tone recognizing that if we have some of those different reports come in, we know how we need to address the penalties, if and when they come up. Not making a decision on anything like that today avoids any kind of announcement being required.

Alexander asked if it is the concensus that an extension would be beneficial to the Program, and a good will standard to the farmers.

Stratton stated that he thinks it would create some problems. He felt that things should be left as they are, and penalty issues should be looked at later.

Hyneman suggested leaving things as they are and then considering things on a case by case basis as they come in. If someone plants more cotton, and needs some relief from the penalties, and circumstances warrant, the Board would be willing to recommend a waiver of the penalty to the Plant Board.

It was decided that a press release would be sent to the newspapers in the eradication areas of the state stating that the Foundation wants to work with the farmers, as to getting this crop out of the ground and up and boll weevil eradication achieved. The assessment issue need not be addressed, but just identifying that the Foundation recognizes that the crop is a problem.

McCastlain suggested mentioning how it might affect operations as well, and have the growers help document problems they have experienced in getting the crop started, because it will have field work implications.

Stratton asked Catanach to proceed with Ted Wagon to draft a release. He will bring the draft release before the Board at its regular meeting on June 6, 2002.

With no further business, the meeting was adjourned at 9:45.

Perry Stratton, Vice-Chairman