

ARKANSAS COTTON GROWER'S ORGANIZATION, INC.

Minutes of the  
January 22, 2003 Meeting

Arkansas State Plant Board  
Little Rock, AR

Members present were Mark Bryles, Perry Stratton, Darryl Little, Ritter Arnold, Charles Tilmon, Hal Hyneman, Laudies Brantley, Jr., and Trent Felton. Jack Carey was not present.

Others present were Cal McCastlain, attorney for ABWEP; Danny Kiser, Mike Catanach, Ted Wagon, Patty Carr, and JoAnn Arnn ABWEP; Cecil Williams; Don Alexander, Ag Council of AR; Ronnie Antici and Ken Johnson, Griffin L.L.C.; Carol Griffiee, Jonesboro Sun; Stewart Doan, Yancey Ag Network; Bill Grefenstette, USDA-APHIS; Richard Sharp, USDA-FSA; Don Johnson, UACES; Mark Stoll and George Tidwell, ASPB; Gerald Wilson, Cheminova; Richard Meyers, UAP Mid-South; Joe Burns, grower; and Claudetta Harrod, AAAA.

Chairman Stratton called the meeting to order at 11:00 a.m. After introductions, Cecil Williams was asked to lead in a word of prayer.

Approval of December 30, 2002, meeting minutes

Chairman Stratton asked for a motion to approve the minutes. The motion was made by Laudies Brantley. Trent Felton seconded and the motion carried.

Report on the NE Delta Referendum

Darryl Little reported that the ballots would be mailed on Friday, January 24, 2003. He said the ballot package is more user-friendly. It will be easier to identify the ballot within the package. The return on the signature envelop will be self-addressed and stamped.

He asked Mark Bryles to report on what he, Ted Wagon, and the local people in that area are doing. Bryles said there is a lot going on on both sides. Those who supported the referendum, supported the Program, are hoping for a better turnout this time. An effort is being made to get a better turnout. Bryles said there will be a lot more personal contact. There will be a planned educational program and a planned advertising program. A letter is being sent to all farmers and landowners in Mississippi and Eastern Craighead counties explaining why there will be another referendum at this time. Also being made available is a letter of support for the Program in Southeast Arkansas. It is an unsolicited letter with 120 signatures attached indicating excellent support for the Eradication Program in Southeast Arkansas.

## Financial Committee Report

Hal Hyneman gave the financial report. Copies (Attachment 1) were provided.

Cal McCastlain was asked to report on the lawsuit involving a drift issue. It involved a former federal prisoner in Forrest City. It was set for trial in December 2002. It is a federal case and will be heard in Little Rock. Because a case before them did not settle and took more time, this case did not go to trial. McCastlain said he does not expect a trial date before the summer of 2003.

McCastlain said that the Eagle Fish Farm drift issue is set for a June 2003 trial date.

Hyneman said he is working with Patty Carr to provide one-page reports from each zone, rather than two. An example (Attachment 2) was provided.

Chairman Stratton asked for a motion that the financial report be accepted as given. Bryles so moved. Ritter Arnold second and the motion carried.

Hyneman reported that some unauthorized people were writing checks on our account. Carr said it was noticed on the bank statement that the bank had allowed two checks to go through the system that their fraud department did not catch. They were each for a little over \$1,000.00. That is cleared up.

Carr said the other problem is that someone has our account and transaction numbers. They are using them to do web based transfers. When this occurs Carr has to go to the bank and sign an affidavit and they put the money back in the account. The bank has put a caution on the account. Carr said the Little Rock Police are investigating. Once the amount is over \$500.00, it is felony. \$538.00 has been taken.

Hyneman said we will be switched over to a Cash Management Program on February 3, 2003. Carr said if we don't let the account sweep over into this new plan, we will not have a sweep account. Arnold made a motion that authority to sign be given. Felton seconded and the motion passed.

## Report on Belt-wide Meeting

Danny Kiser said there will be a lot of changes in the reserve program. He said there might be some relief to growers through these programs. He said there is a continued increase in the government's emphasis on setting aside properties for conservation use.

Kiser said he presented a paper on the 2002 ABWEP. This is the third year for the Arkansas Program to document its information and progress at the Belt Wide Cotton Conference. These papers are published in the 2001, 2002, and 2003 Belt Wide Proceedings.

He said there was information presented on insect pest losses in cotton nationally and it was good to see losses from the boll weevil move toward the bottom of the list. There were promising presentations on up and coming technologies and genetic research continues to attract the most interest for the future.

Kiser added that, information was presented by several groups, on the use of 2-4D for killing re-growth cotton. It has been very effective in every test. This is a positive development if a way can be found for farmers to incorporate this practice in a feasible way for the future.

### Search Committee Report

Arnold said he would have a brief report in Executive Session.

### TAC Report

Don Johnson reported that the Technical Advisory Committee had not met since the last Board Meeting. He said they plan to meet with Kiser in the near future.

Chairman Stratton asked what criterion is being used in the Southwest zone maintenance program. Kiser said that the TAC recommended reducing trapping in the core area. Along the west side of the zone and the south side of the zone we will continue the normal rate of trapping, which is one trap for four acres. In the core area it will be one trap for ten acres, which should cut down on cost. They are not expecting to catch any weevils, unless there is migration.

### Program Update

Kiser provided copies (Attachment 3) of the paper that was presented at the Belt-Wide meeting.

Kiser reported that trapping supply bids are completed. The malathian bids will be sent out the first week of February 2003. They are targeting making a decision on those bids on February 15, 2003.

Kiser said he gave the year-end FSA report to Richard Sharp this morning. He said we received a loan commitment in the mail on the \$7 million loan. It is early in the year to get this settled and it will make the transition from 2002 to 2003 work real well. We may be able to take advantage of some interest savings because of getting the money this early in the year.

Kiser said they are working on the aerial contracts and it is still a work in progress.

Also we are working on the trapping contracts with only minor adjustments being made

We have only two positions open statewide, a secretary position and a Field Unit Supervisor

position.

There will be a week of District Supervisor training in February and there will be two weeks of over-all supervisor training in March.

Kiser said surveys were given to every grower at the end of the season. Ted Wagon analyzed the results. Copies (Attachment 4) were provided.

Kiser reported that the Plato Industries traps will be \$.68 each and the pheromone dispensers will be \$.12 each.

Arnold asked if personnel is being transferred as operations are being wrapped up in some sectors. Kiser said we have not reached that point yet. The staff has been reduced. There are twelve less Field Unit Supervisors than there were last year. They were replaced with Field Unit Managers. In areas where the weevil numbers are low, they made FUM positions where one FUS oversaw two field units.

Hyneman requested a report showing maintenance costs for the mules.

Chairman Stratton asked George Tidwell to comment on the Aerial Applicator meeting, which took place earlier this month. Tidwell said he thought it was a very productive meeting. He said the people in his industry are trying to improve the working relationship with the Boll Weevil staff.

There were no reports from suppliers.

Bill Grefenstette reported that they are still under the continuing resolution. The final number will be somewhere between \$53 and \$62 million. The Belt Wide Action Committee has already decided, or made strong recommendations as to how it will be divided. He said they had already released a pro-rated portion of the lower amount. If it is \$62 million, they will retro-allocate and get everyone up to that level.

Grefenstette reported that the Senate language references the debt retirement to FSA. APHIS money can be used for debt retirement. The House deleted that phrase. It is critical that this phrase be put in.

Regarding federal quarantine, the draft will be out in September 2003, with the final quarantine available by October 2004.

Grefenstette said the Department of Homeland Security has taken about 70% of the APHIS personnel and budget. By March 1, 2003 over 3,000 of the 4,200 people will be in Homeland Security. APHIS is working through the transition, getting a better definition of what they do from now on, as opposed to what they have done for the past twenty years. He said he didn't think that would impact Boll Weevil.

Richard Sharp reported ABWEF's FSA loan history as follows:

- \$ 7.9 million in 1999
- \$ 12 million in 2000
- \$ 5 million in 2001
- \$ 2.7 million in 2002
- \$ 7 million in 2003

#### New Business

There was none.

The counting of the ballots will be on February 13, 2003.

The next meeting date was set for February 21, 2003, at 10:00 a.m. at the State Plant Board.

The meeting was adjourned to Executive Session at 12:30 p.m.

The Board reconvened at 1:15 p.m.

Arnold reported that the search committee would wait until after the referendum to make a decision on the Executive Director.

With no further business, Felton moved to adjourn. Hyneman seconded. Motion carried.

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PERRY STRATTON, Chairman