

ARKANSAS COTTON GROWER'S ORGANIZATION, INC.

Minutes of the
April 15, 2003 Meeting

Arkansas State Plant Board
Little Rock, AR

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

Others present were Cal McCastlain, attorney for ABWEP; Danny Kiser, Mike Catanach, Patty Carr, and JoAnn Arnn, ABWEP; Mark Stoll, Gerald Fulbright, and Terry Walker, ASPB; Claudetta Harrod, AAAA; Don Alexander, Ag Council of AR; Doug Ladner, retired ABWEP; Don Johnson and Bill Robertson, UACES; Ken Pierce, USDA-APHIS, AR; Jim Plato, Plato Industries; Ronnie Antici, Griffin L.L.C.; Richard Sharp, USDA-FSA; Richard Bransford, cotton producer; Gene Martin, Arkansas Farm Bureau; Cecil Williams; Lisa Honey, Quattlebaum, Grooms, Tull & Burrow; and Carol Griffie, Jonesboro Sun.

Chairman Stratton called the meeting to order at 10:05 a.m. After introductions, Jack Carey was asked to lead in a word of prayer.

Approval of February 21, 2003 and March 5, 2003 meeting minutes

Chairman Stratton asked for a motion to approve both sets of minutes. The motion was made by Laudies Brantley. Ritter Arnold seconded and the motion carried.

Financial Report for February

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

Hyneman asked if the Program has a complete asset listing of rolling stock. Danny Kiser said a detailed inventory had just been completed on all equipment and parts. The information has been entered into a Database, where it will be available for developing reports.

Hyneman stated that Simmons First National Bank, where the Program keeps its primary banking account, has a new money market sweep account. It will give on-line access to our account. The bank has recommended this new account. Hyneman suggested the passing of a resolution to authorize the bank to set up the new account. Patty Carr said a fund needed to be chosen. Hyneman said it needed to be kept in the fund that the bank recommended.

Hyneman made a motion that the Board authorizes the staff to enter into whatever agreement is necessary to establish that account and select the government obligation fund as the fund to which our sweep funds are directed. Charles Tilmon seconded and the motion carried.

Richard Sharp said that FSA is willing to loan the Program money within the regulations. Cal McCastlain asked if the Program could go ahead and submit a loan application for the NE Delta Zone. There was discussion after which it was determined that the Program should proceed with a loan application.

Report on March 7, 2003 TAC meeting

Don Johnson reported that at the March 7, 2003 TAC meeting the committee prepared and passed a biological impact statement. The statement has since been presented to the requested parties. The committee will meet soon with Danny Kiser to discuss where we need to go with the boll weevil program and any issues Kiser might have.

Johnson said there had been an outbreak of aphids in corn and wheat. The hope is that this will not carry over into cotton.

Chairman Stratton asked if the Boll Weevil Foundation and the TAC were in agreement as to the direction being taken in the Southeast Zone regarding maintenance. Johnson said the TAC has discussed the strategies. They will meet again to review where they are headed. Hyneman asked if the budgets were set in conjunction with the TAC's recommendations. Johnson said they had worked closely with the staff.

Update on NEDZ Statutory Changes & Grower Petition

McCastlain said he was not aware of any changes in activity since the Plant Board went forward with regulations.

Darryl Little said the Plant Board met in a special called meeting April 9, 2003, and approved the regulations that came out of the Boll Weevil Committee. The regulations are out for public comment at this time. There was one change from what came out of the committee. That was an \$8.00 assessment for the first year as opposed to \$6.00. Copies of the regulations are available on the Plant Board's Website, at Extension offices, and at the Plant Board office.

The Plant Board will hold a special called meeting in Blytheville on May 22, 2003. The public hearing concerning the proposal will be held at 1:00 p.m., at the Mississippi County Community College, in the Adams/Vines Recital Hall, 2501 South Division. Little said the Grower Board was welcome to give comments as a board, or individuals. Hyneman asked if the Grower Board should have an official position or statement. McCastlain said the Grower Board should be on record reaffirming the request it has made. Hyneman made the motion that the Grower Board directs its legal counsel to prepare documents and be ready to present a statement at the public hearing. Jack Carey seconded and the motion carried.

McCastlain suggested that Grower Board members get individual farmers from active zones to be a part of the record also. Because it is a state program it is as important for individuals from the active zones to be a part of the process, as it is those who are in Mississippi County.

Search Committee Report

Ritter Arnold said there would be a report in Executive Session.

Program Update

Danny Kiser reported the following:

- All offices are open and operating.
- Trappers are on staff.
- Vehicles have been assigned.
- Trappers are being trained.
- Growers have begun planting.
- Most mapping is complete.
- Trapping contractors have signed the contracts and they have gone through training.
- Aerial contracts have been mailed.
- Met April 14, 2003, with individuals from Farm Credit Leasing. They will provide projections on a buy out of the leases. They will offer a reduced interest rate and will refinance for whatever period of time we would like.

There was discussion of Senate Bill 856 (Attachment 3).

Returning to the Program Update, Brantley asked about failed transmissions in leased vehicles, wanting to know who stood the cost of those failed transmissions the first year. Kiser said some were warranted and on others the Program stood the cost. Those with faulty transmissions were covered by warranty. Overheating problems due to leaving vehicles idling were not covered by warranty. Brantley said vehicles needed to be evaluated before they are bought.

Discussion returned to Senate Bill 856. Little stated that the Bill has currently passed the Senate and it is on the calendar for the House this afternoon. He said it basically does two things, and does not address the collection of assessments. The cost share issue relates to the lien provisions. If there is a non-payment issue, it authorized the Plant Board to place the lien in a manner that reflects landowner and grower's proportionate share of the assessment.

The other thing that this piece of legislation does is it establishes four-year staggered terms for Grower Board members, and it allows Board members to succeed themselves. It requires that each zone of the state must have at least one Board member representing the zone, and it also states that no zone can have more than two representatives on the Board. The final structure of the Board would be in place by July 1, 2004.

New Business

Plato Industries has a new color for traps. We will be testing the new color.

The next meeting was set for Tuesday, May 27, 2003, at the Plant Board.

Ken Pierce reported that the Oklahoma program had a fire that destroyed all of their shop equipment, eight trucks and four or five ATVs.

The meeting was adjourned to executive session at 11:25.

The Board reconvened at 1:20. A decision was made to work toward hiring a comptroller to handle finances. A decision was made that Danny Kiser will remain as Acting Director for one year. Chairman Stratton asked that Kiser meet with him on April 18, 2003.

The meeting was adjourned.

PERRY STRATTON, Chairman