

ARKANSAS COTTON GROWER'S ORGANIZATION, INC.

Minutes of the
May 27, 2003 Meeting

Arkansas State Plant Board
Little Rock, AR

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

Others present were Cal McCastlain, attorney for ABWEP; Mike Catanach, Danny Kiser, and Patty Carr, ABWEP; Ted Wagon; Cecil Williams; Don Alexander, Ag Council; Ronnie Antici, Griffin L.L.C.; Jim Plato, Plato Industries Ltd.; Terry Walker and Mark Stoll, ASPB; Gene Martin, Farm Bureau; Richard Myers, UAP; Carol Griffey, Jonesboro Sun; Mary Wagoner; Joel Barn.

Chairman Stratton called the meeting to order at 10:00. After introductions, Danny Kiser was asked to lead in a word of prayer.

Approval of April 4, 2003, and April 15, 2003, meeting minutes

Chairman Stratton asked for a motion to approve the minutes. Ritter Arnold so moved and Trent Felton seconded. The motion carried.

Crop Report from the Board

- Hal Hyneman - had to replant due to rain and wind damage
- Mark Bryles - had to replant due to rain; cotton that is up has a dark color; off to a very poor start
- Laudies Brantley - missed excessive rain; crop is established
- Trent Felton - most cotton that is up will not have to be replanted; due to rain, farmers in the area protected from the pumping plant are losing crops; 60 to 70% of the cotton is planted in Lee County
- Ritter Arnold - 70 to 80% planted in eastern Poinsett County; cotton that is up is not growing; having to spot plant
- Jack Carey - spot planting only
- Perry Stratton - missed heavy rain

Financial Committee Report

Hal Hyneman gave the financial report. Copies (Attachment 1) were provided. There were no questions. Jack Carey moved the financial report be received as filed. Laudies Brantley seconded and the motion carried.

Status of FSA Loan Application

Cal McCastlain reported that Danny Kiser would have the application May 28, 2003. He said he needed a resolution authorizing it from the Board. Copies (Attachment 2) were provided. Essentially it is authorizing the Foundation to borrow \$10 million from FSA. This \$10 million financing is designed to complete the state program.

McCastlain said a motion was needed to authorize the Foundation to borrow \$10 million to complete the Arkansas program, and authorizing the chairman and any other directors to sign the documents. Jack Carey so moved. Trent Felton seconded and the motion carried.

Regarding other issues, McCastlain reported that the June trial date for Eagle Fish Farm has been moved and he has not been given a new date. He said he is satisfied with the technical reports and all information he has.

A new date has not been set for the Federal prisoner issue.

Hal Hyneman asked what had been done regarding the leases on vehicles. Mike Catanach stated that one option being considered was, instead of refinancing at a higher rate, part of the \$10 million would be used to buy out the leases.

Report on May 22, 2003, ASPB Board Meeting

Darryl Little reported that the Plant Board held a public hearing in Blytheville May 22, 2003, to hear comments from the public on the proposed regulations that would impose a boll weevil program on the Northeast Delta. Approximately one hundred fifty were in attendance. All making comments were from Mississippi County and were opposed to a mandatory program.

Written comments were received beginning April 10, 2003. Copies (Attachment 3) of a summary of comments relative to the proposal were provided. Copies of the comments were provided to members of the Plant Board as they were received.

At the end of the public hearing, the chairman closed the public hearing and called the Plant Board into a special meeting where they considered the regulations. After discussion they voted in favor of the regulations. There will be a boll weevil eradication program in the Northeast Delta zone.

Little said that he and McCastlain would be working on a memorandum of understanding between the Board and the Foundation for this Board to oversee the actual field operations in that area.

Ritter Arnold said he felt the Board should commend Darryl Little for the job he did in handling what could have been a volatile situation.

After discussion Ritter Arnold made a motion that June 30, 2003, be set as the last date for consideration of holding a referendum in the Northeast Delta zone. Jack Carey seconded. Motion carried.

McCastlain stated that whatever announcement goes out, or how this is communicated, this is a request. The Board must determine if the requested program is financially and biologically feasible.

Search Committee Report

Ritter Arnold reported that he has been working with the Boll Weevil staff on a job description for a comptroller and will be ready to advertise for that position in the next 7 to 10 days.

Program Update

Danny Kiser reported progress of the zones through a PowerPoint presentation.

In a letter to members of the Board (Attachment 4), Ted Wagon announced his decision to take a position with Fleishman-Hillard International Communications. He will no longer be the communications consultant to the Foundation, effective May 28, 2003.

Copies (Attachment 5) of Wagon's recommendations in communications were provided. He also recommended Mary Wagoner as his replacement. Copies (Attachment 6) of her résumé were provided.

New Business

There was no new business. There were no reports from our vendors.

The next meeting date was set for Monday, June 30, 2003, at the State Plant Board.

The meeting was adjourned to Executive Session at 11:35 a.m.

The Board reconvened at 12:30 p.m.

Ritter Arnold reported that the Board discussed personnel matters and relationships with other associations.

With no further business, the meeting adjourned at 12:30 p.m.

PERRY STRATTON, Chairman

