

ARKANSAS COTTON GROWER'S ORGANIZATION, INC.

Minutes of the
March 30, 2004 Meeting

Arkansas State Plant Board
Little Rock, AR

Members present were Chairman Ritter Arnold, Mark Bryles, Laudies Brantley, Hal Hyneman, Darryl Little, Trent Felton and Charles Tilmon, Jr.

Cal McCastlain, legal counsel for ABWEF; Danny Kiser, Michael Catanach, Kristel Boehn and Lora Harvey, ABWEF; Mark Stoll, ASPB; Cecil Williams, Jr., Cotton Producers of Missouri; Mary Wagoner, ABWEF; Gerald Fullbright, ASPB; Robert Barker, ASPB; and Jay Hughes, Associated Press, were also present.

Chairman Arnold called the meeting to order at 10:00 a.m. Cecil Williams, Jr. led the group in prayer. Introductions followed.

Approval of February 13, 2004 meeting minutes.

Laudies Brantley moved to approve the minutes as presented. Darryl Little seconded and the motion carried.

Financial Report.

The financial reports for the one-month ending February 29, 2004 were not available.

Danny Kiser updated the board on 2004 FSA loans. The National Cotton Counsel Boll Weevil Action Committee is scheduled to have a conference call this week to discuss the allocation of loan money to state programs. The loan interest rate for 2004 will be 4%. We may be able to borrow money at 4% to payoff 5 ½% - 6 ½ % loans. Jack Carey had requested \$12 million, in Little Rock at the Boll Weevil Action Committee Meeting last September, to be held in the event that we do not receive monies from the NE Delta. We have adequate short term funds to cash flow the program if all monies come in as scheduled. FSA loan officer Richard Sharp is proposing to leave \$12 million or more in reserve to payoff higher interest loans if the money is not needed to cover the NE Delta assessments. We will know more about this after the conference call. The cooperative agreement was sent off today. We are receiving about \$5.4 million and have already received about \$3.7 million.

Legal Matters Update

Cal McCastlain reported that the Arkansas State Plant Board's lawsuit is scheduled to be complete on April 24, 2004.

McCastlain also reported that the insurance companies handling the mule vs. aerial applicator incident that took place in Phillips County in 2001 have been unable to reach a resolution. The Foundation's insurance carrier will represent the Foundation in this matter.

USDA UPDATE

A USDA report was not available.

TAC UPDATE

Don Johnson is retiring from UAEX. Don has chaired the TAC committee for the past two years and will be missed. We all wish Don the very best and greatly appreciate his many years of service to Arkansas Agriculture.

Program Update

Danny Kiser reported that the training for all supervisors would be complete next week.

Supervisor staffing is complete and we are in the process of hiring seasonal positions.

Trap lines were put out last week in all Zones. Also additional traps were placed in areas where weevil populations were elevated last fall.

Aerial contracts were mailed and the bids will open on April 1, 2004.

The cooperative agreement has been signed.

Inventory is 90% complete.

Delivery of all trucks and trailers for the NE Delta Zone will be completed this week.

Chairman Arnold requested a list of phone extensions from ABWEP, which will be provided at the next meeting.

New Business.

Chairman Arnold advised that the Personnel Committee, which consists of Trent Felton, Jack Carey and Laudies Brantley, has chosen candidates for the CFO/Controller position. The candidates will be narrowed down to 5 (five) during executive session.

Set next meeting date.

The next meeting date was set for Monday, April 26, 2004 at 10:00 a.m.

Other Business.

The meeting adjourned to executive session at 11:15 a.m. The meeting reconvened at 11:50 a.m. The Board chose the final candidates for the CFO/Controller position and interview process will begin soon.

With no further business the meeting adjourned at 12:15 p.m.

RITTER ARNOLD, Chairman