

Minutes

LOUISIANA DEPARTMENT OF AGRICULTURE & FORESTRY

Louisiana Agricultural Commodities Commission

Veterans' Memorial Auditorium

5825 Florida Blvd.

Baton Rouge, LA 70806

September 21, 2009

9:00 a.m.

I. Call to Order

Mr. Robert Hanks called the meeting to order at 9:00 a.m.

II. Roll Call and Declaration of Quorum

Present

Mr. E. Lee Carter

Mr. Robert Hanks

Mr. Donald Zaunbrecher

Mr. Filmore Bordelon

Mr. Ryan Ellington

Mr. Donald Berken

Mr. Keith Hensgens

There were seven (7) members present at the meeting.

Staff Members Present

Assistant Commissioner, Benjy Rayburn

Director of the Louisiana Agricultural Commodities Commission, Ashley Dupree

Assistant Director of the Louisiana Agricultural Commodities Commission,

Kyra Holden

Executive Counsel, Tabitha Gray

Louisiana Department of Agriculture & Forestry Auditor, John Smith

Administrative Assistant IV, Gail Moutz

III. Election of Chairman and Vice-Chairman

A motion was made by Mr. Donald Zaunbrecher and seconded Mr. Filmore Bordelon to nominate Mr. Robert Hanks as the Chairman of the Louisiana Agricultural Commodities Commission. The motion carried unanimously.

A motion was made by Mr. Ryan Ellington and seconded by Mr. Keith Hensgens to nominate Mr. Filmore Bordelon as the Vice-Chairman of the Louisiana Agricultural Commodities Commission. The motion carried unanimously.

IV. Adoption of Minutes – June 29, 2009

A motion was made by Mr. Filmore Bordelon and seconded by Mr. Ryan Ellington to approve the minutes as read. The motion carried unanimously.

V. Consideration of New Warehouse License Application

A motion was made by Mr. Filmore Bordelon and seconded by Mr. Keith Hensgens to go into Executive Session. The motion carried unanimously.

A motion was made by Mr. Keith Hensgens and seconded by Mr. Filmore Bordelon to come out of Executive Session. The motion carried unanimously.

A motion was made by Mr. Filmore Bordelon and seconded by Mr. Ryan Ellington to approve the warehouse license for Jones Producers Gin, Inc. and that it is placed in the Monitoring Program. The motion carried unanimously.

VI. Old Business

1. Discussion with Mr. Wayne Hensgens of the Louisiana Rice Dryers Association

Mr. Wayne Hensgens stated that at the last Louisiana Rice Dryers Association meeting there were concerns regarding the discrepancies in the weight of rice at its original site and the weight of rice at its destination site. Mr. Wayne Hensgens stated it was important to have consistency in order to determine how the farmers are paid.

Mr. Robert Hanks stated he would send a letter to the other rice millers, present these issues and ask their opinion. Mr. Wayne Hensgens suggested that the industry should be consistent regarding how the farmer is going to be paid, from origin or destination weight. Mr. Hanks stated he would report on the results at the next Louisiana Agricultural Commodities Commission meeting.

Mrs. Dupree stated there are certain requirements in the Civil Code of Louisiana law pertaining to sales which may prevail over the issue of destination weight versus origin weight.

Mr. Lee Carter, Commission member, arrived at 9:45 a.m. for the meeting.

Mr. Benjy Rayburn advised the Commission that the scales are set as close as possible to zero with tolerances of between 100 to 200 pounds. Mr. Rayburn stated if there were large discrepancies regarding the weight from origin to destination, to notify the Weights and Measures Division and an inspection would be done.

2. Update on Grain and Cotton Indemnity Fund

Mrs. Dupree reported that there is \$296,000 in the fund and anticipated that within four or five months distribution of the funds would begin.

Mrs. Dupree gave a brief summary on the Grain and Cotton Indemnity Fund which was established last year to protect producers that had been involved with a licensee that had become insolvent.

Mrs. Dupree stated that the fund was established retroactively to January 1, 2008. She stated there has been a receivership since that time which is the Central Louisiana Grain receivership.

Mrs. Dupree reported that there are approximately \$941,000 dollars worth of potential claims to be distributed to producers. She stated the complicating factor is that there is a bankruptcy that was entered into a month after the entity was put into receivership. Mrs. Dupree stated it is not presently known what the amount of the claims in the bankruptcy are at this time.

Mr. Donald Zaunbrecher asked if a report of income by commodity could be provided for the Grain and Cotton Indemnity Fund. Mrs. Dupree stated that could be provided.

3. Update on Daily Risk Position Report regulations

Mrs. Dupree reported the Louisiana Department of Agriculture & Forestry (LDAF) is in the process of repealing a regulation that has become unnecessary. The rule should finally be adopted in October or November of this year.

Ms. Kyra Holden reported that she has been receiving the Grain and Cotton Indemnity Fund assessments and the regular assessments on a timely basis with the exception of a few applicants that she is closely monitoring.

4. Update on H&J receivership

Mrs. Dupree reported that there is one outstanding check in the amount of \$119.91. Mrs. Dupree stated that the claimant reported that the check was lost but a copy was kept. She stated she will reissue the check to the claimant.

Mrs. Dupree stated the LDAF attorney is working on the dissolution of the receivership since all of the funds have been distributed and preparing a final report. She stated a signed order should be available at the next meeting and the checking account will be closed.

5. Update on Central Louisiana Grain receivership

Mrs. Dupree stated that she and Mr. Rayburn met with the bankruptcy attorney on August 26, 2009. The trustee attorney is attempting to have all related cases moved to the Federal Court. The attorney's concern is that producers be paid as best as possible with the assets they have without double recovery. Mrs. Dupree stated that she and Mr. Rayburn have discussed with the attorney what LDAF's process will be regarding the distribution of the Grain and Cotton Indemnity Fund. She stated LDAF will start the claims process in October of this year by notifying the public in the public newspaper to submit claims specifically for the Grain and Cotton Indemnity Fund.

Mrs. Dupree stated that LDAF is determining whether to deposit any of the funds into the registry of the bankruptcy court as opposed to distribution which would allow the bankruptcy judge to make distributions in the bankruptcy prior to the LDAF's distribution. There is a claimant claiming to have over one-half of a million dollars of this \$941,000 that appears to be an unsecured creditor. Mrs. Dupree stated in the bankruptcy proceedings this unsecured creditor is actually using a statute to claim to be a secured creditor which changes the status of what the creditor will be paid from the bankruptcy. Mrs. Dupree stated that the LDAF is coordinating with the trustee attorney and will report to the Commission as necessary.

VII. New Business

1. Staff Retirements

Mrs. Dupree reported that there was recently a retirement incentive package offered to eligible LDAF employees. Mrs. Dupree mentioned that the following employees retired: Mr. Terrel Castille, Assistant Division Director from Crowley District office, Mr. Ronald Sayer, Program Manager in Jonesville District, Mr. Billy Benton, Auditor and Mr. Mark Tillman, Auditor Director.

Mrs. Dupree reported that the grading lab in Opelousas has been closed.

Mrs. Dupree introduced Mr. John Smith, the new auditor for the Louisiana Agricultural Commodities Commission.

VIII. Public Comment

None.

IX. Date For The Next Meeting

A date for the next Louisiana Agricultural Commodities Commission meeting will be set at a later date.

Mr. Robert Hanks, Chairman