

**INDIANA GRAIN INDEMNITY BOARD  
OFFICIAL MINUTES**

Chairperson Joseph Pearson at 9:30 a.m. November 25, 1997 called a meeting of the Indiana Grain Indemnity Board to order, in conference room C of the Indiana Farm Bureau Corporation headquarters located at 225 South East Street, Indianapolis, Indiana.

PRESENT: The following voting members were present:

Don Villwock	Jerry Rulon	Roger Hadley
John Colvin	Herman Rettinger, Jr.	Greg Noble
Ken Klemme	William Tutor	Atlee Oyler

The nonvoting members or their representatives present were:

Joseph R. Pearson, Acting Director of Indiana Grain Buyers and Warehouse Licensing Agency;  
Mike Frick, Deputy State Treasurer  
J.D. Lux, Office of the Attorney General

ABSENT: None

RESOURCE STAFF: The following resource people were present:

Michael Baise for Joe Miller	Mary McCory
Cresswell Hizer	Dennis Henry

MINUTES: **The minutes of the May 27, 1997, board meeting were approved as written** (motion from Klemme, second from Oyler).

The next order of business was a report from the state treasurer's office. Mike Frick, deputy treasurer, distributed copies of a statement of operations for the period ending November 20, 1997 (see exhibit A). He also provided several reports mailed with the agenda to board members. See exhibits B through G. As of November 20, 1997, the fund balance was \$6,938,853.23 and refunds totaled \$54,651. January 1998, the treasurer's office will issue a 1099 form to any producer who received more than \$599.00 in refunds.

Klemme suggested moving refunds of producer premiums from expenses to a line referencing reduction of revenue. This was done, see exhibit A-1.

Pearson stated that once the fund is capped, new producers must pay the producer premium for as long as it took the fund to reach the cap. Villwock reported that the committee (Villwock, Noble and Rulon) met this morning to discuss the situation of new producers entering into the fund after it reaches the cap. They suggested that any new producer could be accepted as in the fund, if the producer could prove a legacy. He stated that 99% of the producers that farm have remitted under the program. If a new owner/manager takes over, it is generally a family member. He suggested any claims from new producers be reviewed to see if they could prove a legacy. A question was brought up by Tutor that a big farmer who doesn't participate could buy a farm that did participate. Other issues brought up were if an out of state corporation purchases land in Indiana, or if a producer near the state line rents land, how are they notified to participate in the fund. Solutions mentioned were news articles and FSA (Farm Service Agency) newsletter. Klemme stated the term Anew producer@ is not defined in the law or rules. **Pearson stated that they should bring concepts to the May 1998 meeting.**

The next agenda item was term limits/staggered board member terms. Noble mentioned that each organization would decide their representative and how long that person would serve. He stated that staggering might occur naturally. Villwock suggested a letter be sent to each organization to nominate their representative (s). The current term is four years. **Pearson is to draft a letter to the appointing organizations and present it at the May 1998 meeting.**

The next item of discussion was the distribution of registered buyers list. It is available if someone wants it.

It was decided by consensus that if the need arises, the board will hire an attorney at that time.

Pearson reported that a producer had not been paid by a Kentucky buyer for his last four loads of grain and the premium had been withheld from his earlier settlements. The case is currently in litigation. Rulon moved (second from Colvin) that the board **send a letter to producers and registered buyers advising farmers it is their responsibility to sell to buyers who are registered with the Indiana Grain Indemnity Corporation.**  
**MOTION PASSED.**

Rulon said he has noticed that permits hanging in the elevators are looking tacky. The board decided that **field auditors of Indiana Grain Buyers and Warehouse Licensing Agency are to request new certificates when they observe worn ones. They are also to request new certificates when technical changes are needed.**

Hizer stated that the Indiana Seed Trade Association suggests seed be taken out of the Indiana Grain Indemnity Fund rules. Because seed dealers provide inputs, they feel that title to grain does not pass from the farmer to the buyer, Hizer said. Villwock said that seed companies are subject to financial turmoil.

The annual meeting will be May 27, 1998, at 9:30 a.m. Assignments for agenda items include:

**--A New producer@ definition---J.D. Lux**

**--Letter on staggered terms----Pearson**

**--Letter to producers regarding selling to registered buyers-----Klemme and Pearson**

Upon a motion from Klemme (second from Hadley), the meeting was adjourned at 10:55 a.m.

Submitted by Mary McCory

Mailed to Greg Noble on February 10, 1998