

INDIANA GRAIN INDEMNITY BOARD



OFFICIAL MEETING MINUTES

Chairman Jerome G. Hawkins called this meeting of the Indiana Grain Indemnity Corporation Board of Directors to order at 10:00 a.m.(EDT) on July 28, 2011. The meeting was held in the Board Room on the seventh floor of the Indiana Farm Bureau Corporate Headquarters located at 225 South East Street, Indianapolis, Indiana.

QUORUM: Chairman Hawkins did a roll call of the Board members, stated that there was a quorum present and asked those present to make sure to sign the attendance form.

PRESENT: The following voting members were present:

Robert Bischoff	Mike Shuter	Don Villwock
James Cherry	Michael Silver	D. Grant Whaley
Joseph F. Kessie	William Tudor	

The following nonvoting members or their representatives present were:

Jerome G. Hawkins, Director, Indiana Grain Buyers & Warehouse Licensing Agency
Matt Light, Chief Attorney, representative of the Attorney General
Vicki Pool, Chief Accountant, representative of the Treasurer of State

ABSENT: The voting members absent for the meeting were:

Ron Reichart Herman Rettinger

RESOURCE The following resource staff present were:

Bob Goulet, Indiana Grain Buyers & Warehouse Licensing Agency
Dennis Henry, Indiana Grain Buyers & Warehouse Licensing Agency
Kyleen Welling, Chief Council, Lt. Governor's Office and IGBWLA

The following guests were present:

Heather Crocket, Attorney, Attorney General's Office
Greg Noble, Indiana Soybean Alliance/Indiana Corn Marketing Council
Emily Otto-Tice, Indiana Soybean Alliance/Indiana Corn Marketing Council
Mark Thornburg, Attorney, Indiana Farm Bureau

Chairman Hawkins introduced the two new board members, Jim Cherry and Grant Whaley and had them give the board a short personal background pertaining to the grain industry from each. Introductions then proceeded around the table to introduce the new members to those present in the room.

MINUTES: Chairman Hawkins stated that the minutes from the April 7, 2011 meeting had been previously distributed to the board members and asked if there were any changes. D. Villwock moved that the minutes of the April 7, 2011 meeting be approved as written. (Second by M. Shuter) ***Motion was carried to approve the minutes as written from the April 7, 2011 meeting.***

FINANCIAL: Financial statements and investment listing had previously been distributed to the board. V. Pool stated that as of June 30, 2011 the fund balance was \$13,935,120.13. She also stated that the Treasurer's Office does not anticipate that interest rates will improve in the near future. Chairman Hawkins stated that a vote is needed to certify the funds as of July 1, 2011. M. Silver motioned to accept the financials as written and to certify the funds as of July 1, 2011 to be \$13,935,120.13, (Second by J. Kessie) ***Motion was carried to accept the financial statements as written and certified the fund at \$13,935,120.13 as of July 1, 2011.***

NEW BUSINESS: Chairman Hawkins reviewed with the Board information obtained at the Association of Grain Regulatory Officials (AGRO) Conference that he and D. Henry attended earlier in the week. J. Kessie asked that handouts from this conference be passed on to the board for their information.

Chairman Hawkins told the Board that the Agency still has one open Auditor position that they are openly pursuing for a position located in South-West Indiana. He asked the Board to forward any possible candidates to the Agency.

Chairman Hawkins expressed his appreciation to all that helped in hosting the Serbian delegation as they visited Indiana. M. Shuter stated that the delegation was very interested in Indiana's grain indemnity program and had lots of questions regarding the program's development.

Chairman Hawkins reminded the Board that they had entered into a Memo of Understanding (MOU) with the Attorney General's Office for legal issues regarding the Mentone Agri Center, LLC failure. He stated that the Agency was presented and paid two billings for services so far. M. Shuter made a motion that the Board approve the payment to reimburse the Agency for these invoices. (Second by J. Kessie) ***The motion was carried to reimburse IGBWLA for invoices paid under the MOU.***

Chairman Hawkins reminded the board that the offices of Vice Chairman, Secretary and Treasurer are to be voted on at this annual meeting. He also stated that per statute the office of Secretary and Treasurer may be combined and have one person serve both offices. Chairman Hawkins then asked for nominations from the floor. W. Tudor motioned that D. Villwock remain as Vice Chairman. (Second by J. Cherry) D. Villwock motioned to nominate and elect M. Shuter to serve as Secretary/Treasurer. (Second by J. Kessie) Chairman Hawkins then asked if there were any additional nominations and there were none. ***The motion to elect D. Villwock as Vice Chairman and M. Shuter as Secretary/Treasurer was carried by a unanimous vote.***

H. Crockett gave the board detail accounts on the failure at Mentone Agri Center, LLC and that she had filed for recovery of funds paid out by the Board. She also addressed Lambright's, Inc. ongoing litigation with Dutchland and possible recovery of additional funds. The Board had some discussion regarding these matters.

Additional discussion regarding the IGIC program then followed. Chairman Hawkins commented on the dollar triggers the fund currently had in place, if they reflected the high price of grain. D. Villwock stated the intent was to start the fund with a goal of \$10 million with a trigger of \$5 million to restart collections. Then when the fund reached \$15 million, increase the goal to \$15 million with a trigger of \$10 million to restart collections. This was done in a recent legislative session. He then stated that with the grain prices at a high, should the board look at increasing these goals and triggers again. This was then discussed by the Board.

Chairman Hawkins told the Board that the Agency is working with legal counsel regarding some possible statute changes, one of which the Agency is looking at changing its name to better reflect its duties.

It was discussed and decided to schedule a meeting of the IGIC Board on December 1, 2011 at 10:00 a.m. to be held here at Farm Bureau.

OLD BUSINESS: Chairman Hawkins noted that no old business needed to be addressed at this time.

ADJOURNMENT: It was motioned that the meeting adjourn by B. Bischoff. (Second by G. Whaley) The meeting adjourned at 10:38 a.m.

Claim forms and travel vouchers for mileage and per diem submitted by:

Robert Bischoff	\$74.64	Michael J. Silver	\$104.56
James E. Cherry	\$77.28	William Tudor	\$76.40
Mike Shuter	\$98.40	D. Grant Whaley	\$133.60

Claim forms and travel vouchers for mileage only submitted by:

Joseph Kessie	\$113.52
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Joseph F. Kessie declined submitting a claim for per diem.

Don Villwock declined submitting a claim for mileage and per diem.

Respectfully submitted by Dennis Henry on August 25, 2011.

**INDIANA GRAIN INDEMNITY CORPORATION
BALANCE SHEET
6/30/2011**

ASSETS

Cash	\$ 55,995.45
Investments	<u>13,879,124.68</u>
Total Assets	<u>\$ 13,935,120.13</u>

LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$ 13,935,120.13</u>
Total Liabilities and Fund Balance	<u>\$ 13,935,120.13</u>

**INDIANA GRAIN INDEMNITY CORPORATION
STATEMENT OF OPERATIONS
FOR THE TWELVE MONTHS ENDING JUNE 30, 2011**

Revenues:

Investment Interest	\$ 75,273.72
Grain Failure Recoveries	\$ 27,904.48
Producer Premium Revenue	<u>-</u>
Total Revenues	\$ 103,178.20

Expenses:

Failure Reimbursement	\$ 477,061.41
Travel	3,556.80
Supplies	25.80
Bank Fees	<u>417.11</u>
Total Expenses	\$ <u>481,061.12</u>

Net Income/(Expense) \$ (377,882.92)

Fund Balance, 7/01/10 \$ 14,313,003.05

Current Fund Balance \$ 13,935,120.13

Fund List: Type = TF
From 07/01/2011 thru 12/31/2030

Inv No	Investment # / Institution	CO	Purchase Date	Maturity Date	Par Original Cost	Coupon Yield	Interest Amount	Fund	IOS #
63172	PRODUCER-PREMIUM FD. MERCHANTS BANK OF INDIANA 470449	68	05/05/11	11/03/11	\$620,000.00 \$620,000.00	0.4000 .4000	\$1,253.78	75111	146
63192	PRODUCER-PREMIUM FD. FIFTH THIRD BANK, INDIANA	82	06/02/11	05/24/12	\$845,000.00 \$845,000.00	0.3800 .3800	\$3,184.24	75111	146
	***** CERTIFICATE OF DEPOSIT TOTAL *****				\$1,465,000.00 \$1,465,000.00	0.3885 0.3885	\$4,438.02		
41565	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	06/17/11	03/19/12	\$1,000,000.00 \$998,696.67	0.1700 .1730	\$1,303.33	75111	146
41613	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	06/23/11	12/21/11	\$1,200,000.00 \$1,199,215.67	0.1300 .1320	\$784.33	75111	146
	***** GOVERNMENT AGY. DISCOUNT NOTES TOTAL *				\$2,200,000.00 \$2,197,912.34	0.1482 0.1506	\$2,087.66		
41045	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	11/22/10	11/22/13	\$1,000,000.00 \$1,000,000.00	0.9500 .9500	\$28,922.22	75111	146
41058	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	11/29/10	05/28/14	\$1,000,000.00 \$1,000,000.00	0.5000 1.1400	\$17,722.22	75111	146
41254	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	02/24/11	08/10/12	\$975,000.00 \$983,616.29	2.0500 1.4900	\$29,592.60	75111	146

Fund List: Type = TF
From 07/01/2011 thru 12/31/2030

Inv No	Investment # / Institution	CO	Purchase Date	Maturity Date	Par Original Cost	Coupon Yield	Interest Amount	Fund	TOS #
41426	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	04/28/11	06/29/15	\$675,000.00 \$679,855.31	1.4500 2.6550	\$41,406.56	75111	146
41509	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	05/31/11	07/26/13	\$2,000,000.00 \$2,010,788.50	1.1250 1.0550	\$49,187.50	75111	146
41596	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	06/22/11	12/20/12	\$1,000,000.00 \$1,000,027.78	0.5000 .5000	\$7,597.22	75111	146
41614	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	06/23/11	02/25/14	\$1,000,000.00 \$1,008,235.22	1.7000 1.5980	\$46,183.33	75111	146
41624	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	06/27/11	09/23/14	\$2,500,000.00 \$2,533,689.24	1.7500 1.4670	\$143,888.89	75111	146
***** GOVT AGENCY COUPONS TOTAL *****							<u>\$364,500.54</u>		
***** TOTAL FOR FUND CODE *****							<u>\$371,026.22</u>		