

Iowa Grain Depositors and Sellers Indemnity Fund
Iowa Grain Indemnity Fund Board
Meeting Minutes for February 18, 2010
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DATE: February 18, 2010
TO: Members of the Grain Indemnity Fund Board
FROM: Angela Burke Boston, Secretary Designee
RE: Summary of the Minutes February 18, 2010

The Grain Indemnity Fund Board (hereafter “Board” or “Fund”) held a meeting by telephone conference call on Thursday, February 18, 2010, in the office of Richard Wahl, Wallace State Office Building, 502 East 9th Street, Des Moines, Iowa, with John Whipple, Consumer Protection & Industry Services Division Director and president designee, as Chairperson.

Attending the meeting in addition to John Whipple (hereafter “Chairperson”) were the following:

Angela Burke Boston (Board Secretary Designee)	330 Maple St. Des Moines, IA 50319
Steve Larson (Board Treasurer Designee)	State Capitol Building Des Moines, IA 50319
Ed Hershberger (Board Member & Industry Rep.)	Kalona, IA 52247
Tom Kaldenberg (Board Member & Producer Rep.)	Albia, IA 52531
Sharon Smith (Board Member & Producer Rep.)	Knoxville, IA 50138
Sandy Simpson (Board Member & Industry Rep.)	Onawa, IA 51040
Steve Moline (Assistant Attorney General for the Fund)	Lucas State Office Bldg. Des Moines, IA 50319
Richard Wahl, Bureau Chief Grain Warehouse Bureau	Wallace State Office Bldg. Des Moines, IA 50319
Jeff Walker, Accountant Grain Warehouse Bureau	Wallace State Office Bldg. Des Moines, IA 50319
Cheryl Petersen, Secretary Grain Warehouse Bureau	Wallace State Office Bldg. Des Moines, IA 50319

This meeting, upon duly prescribed notice, was called to order by the Chairperson at 2:04 P.M. The Chairperson noted that this meeting of the Grain Depositors and Sellers Indemnity Fund was being held by telephone conference call since it was impractical for members to travel to a common location for a meeting projected to last only a few minutes.

The Chairperson called for any additions or corrections to the January 21, 2010 Board minutes. There were no corrections or questions regarding the Board minutes. Ed Hershberger made a motion to approve the minutes. Sharon Smith seconded the motion, and the Board approved the motion unanimously.

The Chairperson called on Steve Larson to present the Treasurer's Report. The balance of the Fund as of February 16, 2010 was \$7,365,967.17. Tom Kaldenberg made a motion to approve the Treasurer's Report. Angela Burke Boston seconded the motion, and the Board approved the motion unanimously.

The Chairperson called on Jeff Walker to present the financial statement. The balance in the Investment in State of Iowa Pooled Accounts as of January 31, 2010 was \$7,401,372.17. The Equity in the Iowa Grain Indemnity Fund as of January 31, 2010 was \$7,389,506.50. There is a decrease in the Fund for the month of January in the amount of \$32,359.69. There is a fiscal year to date decrease in the Fund as of January 31, 2010 in the amount of \$85,753.58. The Chairperson asked if there were any questions about the financial statements. Hearing none, the Chairperson called for a motion to accept the financial statements. Sandy Simpson made a motion to approve the financial statements. Sharon Smith seconded the motion, and the Board approved the motion unanimously.

There was no reason for the Board to go into closed session.

The Chairperson asked for any other business.

Steve Moline reported on publicly filed documents in the Troy Elevator, Inc. bankruptcy. The elevator has continued to operate under its cash collateral agreement. Troy has filed its most recent monthly statements and Steve thought the statements could have been better. He stated that the department will continue to monitor the elevator.

Richard Wahl asked if there were any questions on the legislation that is currently moving through the system. Richard explained that he had emailed the Board what the bills consisted of and where those bills are in the process. Richard said both bills are moving through just fine. Richard shared that the department's legislative liaison stated that the commerce bill did pass the Iowa Senate. Richard also indicated that the membership of the Board will be changing to some degree this year.

Steve Larson asked Richard Wahl if these bills go all the way to the Governor, would that require new rules to be promulgated.

Richard replied that this would be true. Richard added that the current rules of the department, in regards to how the assessment is made upon the grain industry, would be in total conflict with the codes. Richard said that it would be imperative that the department revise the rules at that time.

Steve Larson questioned whether the Board would ultimately approve any drafted grain rules by the department. Richard Wahl outlined the procedure by stating that the rules will be presented to the Board for review and vetting before the department files and finalizes them.

The Chairperson asked for any other business.

Tom Kaldenberg asked the Chairperson if Richard Wahl would address the corn test weights. Tom questioned how problematic the low test weights are, and if they were predominately in one area of the state.

Richard Wahl responded that this year the corn test weights are low statewide. Richard also said that there were particular pockets that were worse than the state as a whole. One area cited, included the northeast area of the state. Richard added that some areas of the state had no #2 corn or insufficient amounts on hand to cover their #2 corn obligations left over from last year. The amounts have been small enough that those companies have been able to remedy the situation quite easily. Those issues are also prevalent in the west central area of Iowa, such as the Ralston and Glidden areas.

Tom Kaldenberg asked Richard Wahl if this was a major problem. Richard replied that he wasn't sure how the situation from last Fall's harvest would work out in the coming months. Richard told the Board that he had emailed the grain industry informing them to be aware of the problem before the department's grain examiners arrive for an inspection. Richard voiced that his major concern is the high potential for grain spoilage both in the elevator and farm bins. Richard warned that the corn that was harvested last year is not good quality grain. Some was hail damaged and some was frost damaged in the milk stage, which in the spring warm up will further compromise the questionable quality of the corn.

Ed Hershberger inquired if mycotoxins have been a big issue this harvest in Iowa. Ed shared that his organization has been hearing much information about the eastern part of the Corn Belt being affected. Richard responded by stating that this has been the case in hail damaged areas in Iowa. There has been ear rot, vomitoxin, fumonisin, and other mycotoxin contamination. Richard added that those contaminants are less drastic to handle than the contaminant aflatoxin. Feed mills and ethanol plants are closely watching for any contaminants, as the industry doesn't want to harm or kill any livestock by grinding corn that is too high in those contaminants.

The Chairperson announced that the mycotoxin samples that were tested from the known grain piles were well below action level despite their poor visual quality.

The Chairperson asked for any other business. There was none.

The next regularly scheduled Board meeting will be a telephone conference meeting on Thursday, March 18, 2010 at 2:00 P.M. in the office of Richard Wahl at the Henry Wallace State Office Building.

With no further business, the Chairperson asked for a motion to adjourn. Tom Kaldenberg made a motion to adjourn. Angela Burke Boston seconded the motion, and the Board approved the motion unanimously.

The meeting adjourned at 2:17 P.M.