

Minutes

LOUISIANA DEPARTMENT OF AGRICULTURE & FORESTRY

Louisiana Agricultural Commodities Commission

Veterans' Memorial Auditorium

5825 Florida Blvd.

Baton Rouge, LA 70806

September 27, 2017

9:30 a.m.

I. Call to Order

Mr. Robert Hanks called the meeting to order at 9:40 a.m.

II. Roll Call and Declaration of Quorum

Commission Members Present

Commissioner Dr. Mike Strain
Mr. Robert Hanks
Mr. Stephen Logan
Mr. Donald Berken
Mr. Ronald Petree

Absent Members

Mr. Elliott Ater
Mr. F. Ryan Ellington
Mr. Tom Russell
Mr. Kevin Webb
Mr. Donald Zaunbrecher

There was a quorum of five (5) members present.

Staff Members Present

Assistant Commissioner, Office of the Agro Consumer Services, Steve Sessums
Director, Louisiana Agricultural Commodities Commission, Kyra Fitzgerald
Director, Louisiana Department of Weights & Measures, Dr. Bobby Fletcher
Assistant Director, Louisiana Department of Weights and Measures, Paul Floyd
Louisiana Department of Agriculture & Forestry Auditor, Jeff Fabre
Louisiana Department of Agriculture & Forestry Auditor, Crystal Bobb
Louisiana Department of Agriculture & Forestry Auditor, Billy Benton
Louisiana Department of Agriculture & Forestry Legal Counsel Lindsey Hunter
Administrative Coordinator IV, Nicole Robino

III. Adoption of Minutes – June 27, 2017

A motion was made by Mr. Ronald Petree and seconded by Mr. Stephen Logan to approve the minutes. The motion carried unanimously.

IV. New Business – Request to change the number of meeting requirements

A motion was made by Commissioner Strain and seconded by Mr. Donald Berken to change the number of meeting requirements per year from four to three meetings or as needed a may be determined by the chairman of the board. The motion carried unanimously.

Mr. Robert Hanks asked if there was any public comment. There was none.

V. Old Business

1. Self-Insurance Fund and Grain and Cotton Indemnity Fund Balances

Mrs. Fitzgerald stated that the balance of the Grain and Cotton Indemnity Fund back in March was \$4,449,742.59. The Self-Insurance Fund balance is \$878,940.00. Commissioner Strain stated that in February 2016, the Grain and Cotton Indemnity Fund was swept by the Louisiana state legislature during the regular session. The legislature removed \$27,701.00 from the Grain and Cotton Indemnity Fund and \$5,341 from the Self-Insurance Fund. It was one of a number of funds that were swept by the legislature with some discussion of sweeping it again. The Department was able to prevent that but the overall discussion with the Legislators was that this is not general tax payer money and should not be swept and used for other purposes and we need to continue to reiterate that. The legislature was informed that these are dedicated funds and not monies to be used as the legislature wants. Mr. Robert Hanks asked Commissioner Strain if there were any law revisions that could be made in order to prevent further sweeping of these funds. The Commissioner stated that there is not at this time, that the legislature has the last vote and their vote is law. The Commissioner discussed the possibility of moving the Grain and Cotton Indemnity Fund and the Self-Insurance Fund under the purview of the Louisiana Agricultural Finance Authority in order to protect the funds from further access by the legislature. A motion was made by Ronald Petree and seconded by Donald Berken for the Commissioner to research the authority to move the funds under the Louisiana Agricultural Finance Authority. The motion carried.

At the last meeting of the LACC, on June 27th there was discussion and questions regarding the Grain Cotton Indemnity Fund and whether it could be used as collateral or "safety net" by either producers or licensed entities. Commissioner Strain stated that if an entity becomes insolvent or bankrupt then the Department of Agriculture/Commissioner Strain has the authority to step in as Receiver of the assets of the entity and distribute those assets as deemed pertinent by law. According to law, the Grain and Cotton Indemnity Fund would reimburse the farmers for their loss and then the Department would subrogate those losses. The Department would attempt to recompense those monies which were paid by going after the entity that became insolvent or bankrupt. Therefore, that is why the board must maintain protocols and due diligence during the licensing process, in that all licensees provide security and maintain sufficient financial standards as required by law.

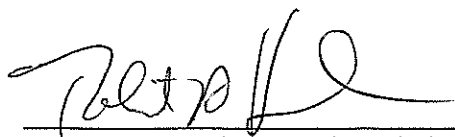
VIII. Public Comment

Mr. Robert Hanks asked if there was any public comment. There was none.

IX. Date for the Next Meeting: TBD

X. Adjournment

A motion was made by Mr. Ronald Petree and seconded by Mr. Donald Berken to adjourn the meeting. The motion carried unanimously.



Mr. Robert Hanks, Chairman