

Minutes

LOUISIANA DEPARTMENT OF AGRICULTURE & FORESTRY

Louisiana Agricultural Commodities Commission

Veterans' Memorial Auditorium

5825 Florida Blvd.

Baton Rouge, LA 70806

May 31, 2011

9:30 a.m.

I. Call to Order

Mr. Robert Hanks called the meeting to order at 9:45 a.m.

II. Roll Call and Declaration of Quorum

Commission Members Present

Absent Members

Mr. Robert Hanks

Mr. Donald Berken

Mr. Ryan Ellington

Mr. Filmore Bordelon

Mr. Keith Hensgens

Mr. Kenny Self

Mr. Donald Zaunbrecher

Mr. Kevin Adams

Mr. Lee Carter

Commissioner Strain

There was a quorum of seven (7) members present.

Public Comment

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

III. Adoption of Minutes – March 2, 2011

A motion was made by Mr. Filmore Bordelon and seconded by Mr. Donald Berken to approve the minutes. The motion carried unanimously.

Staff Members Present

Assistant Commissioner of the Agro Consumer Services Division, Benjy Rayburn

Director of the Louisiana Agricultural Commodities Commission, Ashley Dupree

Assistant Director of the Louisiana Agricultural Commodities Commission,

Kyra Holden

Louisiana Department of Agriculture & Forestry Auditor, John Smith

Louisiana Department of Agriculture & Forestry Auditor, Jeff Fabre

Administrative Assistant IV, Gail Moutz

A motion was made by Mr. Donald Zaunbrecher and seconded by Mr. Ryan Ellington to go into Executive Session. The motion carried unanimously.

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

**IV. Consideration of License Applications for Approval:
(Initial Applications) Effective June 1-30, 2011**

A. Cotton Merchants and Grain Dealer

1. Louis Drefus Commodities, LLC

A motion was made by Mr. Kenny Self and seconded by Mr. Donald Zaunbrecher to approve the Cotton Merchants and Grain Dealer license application. The motion carried unanimously.

B. Grain Dealer

1. Third Crop, LLC

A motion was made by Mr. Keith Hensgens and seconded by Mr. Filmore Bordelon to approve the Grain Dealer license application. The motion carried unanimously.

**V. Consideration of License Applications for Approval:
(Renewal Applications)**

A. Cotton Merchant and Grain Dealer

1. Louis Dreyfus Commodities, LLC

A motion was made by Mr. Kenny Self and seconded by Mr. Donald Zaunbrecher to approve the Cotton Merchant and Grain Dealer license application. The motion carried unanimously.

B. Cotton Merchants

1. Broadway and Hitt Cotton Company, Inc.
2. Farmers Cotton Company, Inc.
3. Johnston Cotton Company, Inc.
4. Noble Ellington Cotton Co., Inc.
5. P.J.S. Incorporated
6. Staple Cotton Cooperative Association
7. The Seam, LLC

A motion was made by Mr. Filmore Bordelon and seconded by Mr. Kenny Self to approve the Cotton Merchants license applications #1 Broadway and Hitt Cotton Company, Inc., #2 Farmers Cotton Company, Inc., #3 Johnston Cotton Company, Inc.,

#5 P.J.S. Incorporated, #6 Staple Cotton Cooperative Association, #7 The Seam, LLC with #1 Broadway and Hitt Cotton Company, Inc., #2 Farmers Cotton Company, Inc. and #3 Johnston Cotton Company, Inc. being placed in the Monitoring Program. The motion carried unanimously.

A motion was made by Mr. Filmore Bordelon and seconded by Mr. Kenny Self to approve #4 Noble Ellington Cotton, Co., Inc. and place it in the Monitoring Program. The motion carried. Mr. Ryan Ellington abstained from voting on Cotton Merchant license application #4 Noble Ellington Cotton Co., Inc.

C. Grain Dealer

1. Agrex, Inc.
2. Bayou Grain and Chemical Corporation
3. Bertrand Rice, LLC
4. Bunkie Elevator & Gin Company, Inc.
5. Crews Trading Company, Inc.
6. Farmers Rice Milling Co., Inc.
7. Gulf Rice Milling, Inc.
8. Harrington Rice & Soybean Buyer Company
9. Harvest Rice, Inc.
10. Louisiana Farm Bureau Marketing Association, Inc.
11. Lockeby Rice & Grain, Inc.
12. Louisiana Rice Mill, LLC
13. Point Coupee Farmers Elevator, Inc.
14. Producers Rice Mill, Inc.
15. Southwest Rice Mill Company, Inc.

A motion was made by Mr. Kenny Self and seconded by Mr. Filmore Bordelon to approve the Grain Dealer license applications #1 Agrex, Inc., #2 Bayou Grain and Chemical Corporation, #4 Bunkie Elevator & Gin Company, Inc., #5 Crews Trading Company, Inc., #6 Farmers Rice Milling Co., Inc., #7 Gulf Rice Milling, Inc., #8 Harrington Rice & Soybean Buyer Company, #9 Harvest Rice Inc., #10 Louisiana Farm Bureau Marketing Association, Inc., #11 Lockeby Rice & Grain, Inc., #14 Producers Rice Mill, Inc. and #15 Southwest Rice Mill Company, Inc. with #8 Harrington Rice & Soybean Buyer Company being placed in the Monitoring Program. The motion carried unanimously.

A motion was made by Mr. Kenny Self and seconded by Mr. Donald Berken to approve the Grain Dealer license application #3 Bertrand Rice and place it in the Monitoring Program. The motion carried. Mr. Filmore Bordelon abstained from voting on the Grain Dealer license application #3 Bertrand Rice, LLC.

A motion was made by Mr. Kenny Self seconded by Mr. Donald Zaunbrecher to approve the Grain Dealer license application #12 Louisiana Rice Mill. The motion carried. Mr. Robert Hanks abstained from voting on Grain Dealer license application #12 Louisiana Rice Mill.

A motion was made by Mr. Filmore Bordelon and seconded by Mr. Donald Zaunbrecher to approve the Grain Dealer license application #13 Pointe Coupee Farmers Elevator, Inc. The motion carried. Mr. Kenny Self abstained from voting on Grain Dealer license application #13 Pointe Coupee Farmers Elevator, Inc.

D. Grain Dealer and Warehouse

1. Aaron Duhon Bins, Inc.
2. Crowley Grain Drier, Inc.
3. Crowville Grain & Elevator Company
4. Fenton Rice Co-op
5. G & H Seed Company, Inc.
6. Hensgens Grain Elevator, Inc.
7. Holly Ridge Rice & Grain
8. Hollybrook Enterprises, LLC
9. Kaplan Rice Dryer, Inc.
10. Lake Arthur Rice Drier, Inc.
11. Mamou Rice Drier and Warehouse, Inc.
12. Monticello Gin & Elevator Co., Inc.
13. Mowata Rice Drier, Inc.
14. Thornwell Warehouse Association
15. Tubbs Rice Dryers, Inc.
16. Victory Supply, Inc.
17. Winnsboro Elevator, LLC

A motion was made by Mr. Filmore Bordelon and seconded by Mr. Kenny Self to approve the Grain Dealer and Warehouse license applications #1 Aaron Duhon Bins, Inc., #2 Crowley Grain Drier, Inc., #3 Crowville Grain & Elevator Company, #5 G & H Seed Company, Inc., #6 Hensgens Grain Elevator, Inc., #7 Holly Ridge Rice & Grain, #8 Hollybrook Enterprises, LLC, #9 Kaplan Rice Dryer, Inc., #10 Lake Arthur Rice Drier, Inc., #11 Mamou Rice Drier and Warehouse, Inc., #12 Monticello Gin & Elevator Co., Inc., #13 Mowata Rice Drier, Inc., #15 Tubbs Rice Dryers, Inc. and #16 Victory Supply, Inc. with #1 Aaron Duhon Bins, Inc., #3 Crowville Grain & Elevator Company, #8 Hollybrook Enterprises, LLC and #12 Monticello Gin & Elevator Co. Inc. being placed in the Monitoring Program. The motion carried unanimously.

A motion was made by Mr. Filmore Bordelon and seconded by Mr. Kenny Self to release the subordination agreement for Crowley Grain Drier, Inc. The motion carried unanimously.

A motion was made by Mr. Filmore Bordelon and seconded by Mr. Ryan Ellington to approve the Grain Dealer and Warehouse license applications # 4 Fenton Rice Cop-op and #14 Thornwell Warehouse Association. The motion carried. Mr. Donald Berken abstained from voting on the Grain Dealer and Warehouse license applications #4 Fenton Rice Co-op and #14 Thornwell Warehouse Association.

A motion was made by Mr. Filmore Bordelon and seconded by Mr. Kenny Self to approve Grain Dealer and Warehouse license application #17 Winnsboro Elevator, LLC.

The motion carried. Mr. Ryan Ellington abstained from voting on the Grain Dealer and Warehouse license application #17 Winnsboro Elevator, LLC.

E. Warehouse

1. Basile Rice Drier & Storage Facility
2. Crowley Rice Drier Co-op, Inc.
3. Dixie Drier, LLC
4. Elton Drier, Inc.
5. Jones Producers Gin, Inc.
6. Kaplan Farmers Co-op
7. Kinder Drier, LLC
8. Producers Rice Drier, Inc.
9. Vermilion Farmers Co-op Association, Inc.

A motion was made by Mr. Filmore Bordelon and seconded by Mr. Kenny Self to approve the Warehouse license applications #1 Basile Rice Drier & Storage Facility, #2 Crowley Rice Drier Co-op, Inc., #5 Jones Producers Gin, Inc., #6 Kaplan Farmers Co-op and #8 Producers Rice Drier, Inc. with #1 Basile Rice Drier & Storage Facility and #6 Kaplan Farmers Co-op being placed in the Monitoring Program. The motion carried unanimously.

A motion was made by Mr. Filmore Bordelon and seconded by Mr. Donald Zaunbrecher to approve Warehouse license application #3 Dixie Drier, LLC. The motion carried. Mr. Keith Hensgens abstained from voting on Warehouse license application #3 Dixie Drier, LLC.

A motion was made by Mr. Kenny Self and seconded by Mr. Ryan Ellington to approve the Warehouse applications #4 Elton Drier, Inc., LLC and #7 Kinder Rice Drier, LLC with both being placed in the Monitoring Program. The motion carried. Mr. Filmore Bordelon abstained from voting on Warehouse license applications #4 Elton Drier, Inc. and #7 Kinder Drier, LLC.

A motion was made by Mr. Filmore Bordelon and seconded by Mr. Kenny Self to approve Warehouse license application #9 Vermilion Farmers Co-op Association, Inc. and place it in the Monitoring Program. The motion carried. Mr. Donald Berken abstained from voting on Warehouse license application #9 Vermilion Farmers Co-op Association, Inc.

VI. Old Business

1. Grain and Cotton Indemnity Fund Balance

Mrs. Dupree reported that there is approximately a balance of \$474,000 in the Grain and Cotton Indemnity Fund. She stated that \$50,000 was withheld until further direction from the bankruptcy judge.

Mrs. Dupree stated that there is a facility that is currently licensed as a Grain Dealer and is applying for a renewal license. She stated there was a discrepancy in a regular monthly assessment and the facility was notified.

Mrs. Dupree stated that LDAF auditors, Mr. John Smith and Jeff Fabre, visited the facility to photocopy the documentation and was allowed to view the documentation but was not allowed to photocopy the documentation. She stated that a letter was sent to the facility May 19, 2011, informing the facility that if there was no response by May 31, 2011, this matter would be presented before the Commission at the next meeting. Mrs. Dupree stated a letter stating the Attorney General's opinion that the auditors should be allowed to photocopy the documentation, was enclosed with her letter.

Mrs. Dupree stated a check was received in the mail from the facility, Friday, May 27, 2011, with a letter enclosed still disputing the auditor's results.

A motion was made by Mr. Kenny Self to go into Executive and seconded by Mr. Donald Berken. The motion carried unanimously.

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

Mr. Smith received a directive from the Commission to visit the facility to assure that the facility is up to date on the assessments before the next meeting on June 20, 2011.

2. Moisture Meter Update

Mrs. Dupree stated that the Moisture Meter registration period has ended. She reported that in the South Louisiana area there were 87 registered moisture meters and in the North Louisiana area there were 62 registered moisture meters. Mrs. Dupree stated that there were only a few meters that did not pass the inspection.

3. Legislative Update

Mrs. Dupree stated that Senate Bill 89 is currently on the House Calendar for final passage. She stated that the bill is to allow the LDAF auditors, Mr. Smith and Mr. Fabre, authority to copy documentation from companies relative to the financial audits. Mrs. Dupree stated that the second part of the bill is relative to the question of the Commission's authority for budget and spending. She stated that after the previous meeting it needed to be clarified that the Commission is actually not in charge of spending for this part of the department. She is correcting the language in the law to give the Commissioner the authority to maneuver funds when necessary.

4. Budget Update

Mr. Benjy Rayburn gave a financial report on the budget for the current fiscal year. He stated that the report includes the year to date actual revenues and expenditures as well as the budgeted revenue and expenditure authority. He stated actual revenues were broken

down into the different categories collected from July 1, 2010 through April 30, 2011 and actual expenditures were categorized through May 26, 2011.

VII. New Business

1. Late Applications

Mrs. Dupree stated that she and Mr. Rayburn discussed how to enforce the penalty for late applications and how much to impose on the licensees. She stated that there were six applicants that were officially late this year.

The Commission directed Mrs. Dupree to send a certified letter to the six late applicants stating that due to this being the first year of imposing penalties; the Commission is waiving the fees. Mrs. Dupree stated that she would send a certified letter and also that she would correct the penalty statutes, with the Commission's permission, to make it as clear as possible within the confines of the law.

VIII. Public Comment

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

IX. Date for the Next Meeting

The date of the next meeting is scheduled for June 20, 2011, 9:30 a.m.

X. Adjournment

A motion was made by Mr. Donald Zaunbrecher and seconded by Mr. Kenny Self to adjourn the meeting. The motion carried unanimously.



Mr. Robert Hanks, Chairman