

# INDIANA GRAIN INDEMNITY BOARD

## OFFICIAL MEETING MINUTES

The annual meeting of the Indiana Grain Indemnity Corporation Board of Directors was called to order by Chairman Robert Benson at 10:02 a.m. on May 24, 2000. The meeting was held in Hall A on the first floor of the Indiana Farm Bureau Corporate Headquarters located at 225 South East Street, Indianapolis, Indiana.

**PRESENT:** The following voting members were present:

Roger Hadley II	Atlee Oyler	Lee Rulon
Lynn Lykins	Herman Rettinger, Jr.	William Tudor
Greg Noble	Jerry Rulon	Don Villwock
	Ken Klemme	

The nonvoting member or their representatives present were:

Robert Benson, Director of Indiana Grain Buyers & Warehouse Licensing Agency  
Mike Frick, representative of the Treasurer of state  
Duane Jasheway, representative of the Treasurer of state

**ABSENT:** John Colvin, voting member  
J.D. Lux, Deputy Attorney General

**RESOURCE STAFF:** The following resource people were present:

Dennis Henry	Mary McCory	John Steinhart
Joseph Pearson	Richard Rowley	Cress Hizer
Mark Thornberg		

First order of business was introductions of Board members and guests.

Chairman Benson reported that J. Colvin and J.D. Lux sent their regrets at not being able to attend. He then stated that there was a quorum present.

### BOARD

**APPOINTMENTS:** With the schedule of staggered terms of office, two (2) board member's terms had expired. Letters were mailed to the appointing organizations. The Indian Farmers Union re-appointed William Tudor to an additional four (4) year term. The Indian Grain and Feed Assn appointed Lynn Lykins to replace Ken Klemme for a four (4) year term.

Vice Chairman Don Villwock presented Ken Klemme a plaque of appreciation for his service with the Indiana Grain Indemnity Corporation.

**MINUTES:** Since copies of the minutes of the previous meeting (September 3, 1999) were mailed to board members, G. Noble moved to dispense with the reading of the minutes and approve them as written. (Second from A. Oyler) *The minutes of the September 3, 1999, meeting were approved as written.*

**FINANCIAL:** The next order of business was the financial report prepared by Duane Jasheway on April 30, 2000, disclosing a fund balance of \$12,023,595.30. Along with the balance sheet was a statement of operation and current listing of investments. Copies were distributed (Exhibit A). G. Noble asked the average rate of return, which M. Frick answered, was 5.95% yield. He added that they did not want to lock the fund into long-term investments with higher returns, to maintain a more liquid fund. Last years yield was approximately 5.0%.

B. Benson added that the claims to be placed before the board at this meeting, if paid 100%, still would not deplete the fund to under \$10 million dollars.

C. Hizer brought the boards attention happenings from other states. Legislators are trying to tap their indemnity funds for other uses (Kentucky & Oklahoma). The board has done a great job at protecting the fund in statute from this.

Motion by R. Hadley to accept the financials as they were presented. (Second from H. Rettinger) *The motion was carried and the financial statements were approved.*

Motion by J. Rulon that \$12,023,595.30 be certified as the fund balance as of May 1, 2000. (Second from D. Villwock) *The amount of the fund on May 1, 2000 was certified to be \$12,023,595.30.*

**COMMITTEE:** The nominating committee, chaired by A. Oyler, with H. Rettinger and L. Rulon gave their report. A meeting was held via the telephone and they recommended for nomination:

Don Villwock for Vice President  
Greg Noble as Secretary/Treasurer

B. Benson noted that the bylaws state that the Secretary and Treasurer can be the same person.

J. Rulon made a motion that the nominations be closed and that the officers be elected by acclamation. (Second by R. Hadley) *Motion carried.*

#### **REENTRY**

**REQUEST:** B. Benson informed the board that there were four (4) petitioners for reentry into the fund. (Exhibit B)  
D. Henry explained that one of the petitioners, Mr. Robert Garris, was also petitioning for deceased brother, Mr. William Garris. Discussion about the separate refunds; that Mr. Robert Garris was willing to pay for both; that the Garris brothers were farming the same land.

G. Noble moved that the board accept all petitioners as presented. (Second from R. Hadley) *Motion was carried; petitioners will be accepted into the Fund, pending repayment of refunds plus interest.*

D. Henry to follow up with petitioners letting them know of the board's decision and amount due before they are reentered into the fund.

#### **CLAIMS:**

**LEGACY AGRICORP:** B. Benson gave a brief history of Legacy AgriCorp (Exhibit C). Claim was explained to the board, the Agency (Indiana Grain Buyers & Warehouse Licensing Agency) findings and recommendations. Discussion by the board regarding the claim included if Legacy was out-of-business. J. Steinhart answered that yes they were. A. Oyler raised a question as to why there was only one claim. J. Steinhart stated that this was a situation that this claimant happened to be the last person to deliver grain and Legacy AgriCorp ran out of money before they got around to pay the last delivered.

J. Rulon made a motion that the board accept this claim as presented. (Second from H. Rettinger) *Motion was approved to pay the claim against Legacy AgriCorp in the amount of \$9,260.30 to Mr. Scott Smith. (Exhibit E)*

**IDEAL ORGANIC FOODS INC:** B. Benson gave the history of the dealings that occurred just so that the Agency could present these claims to the board. Exhibit D was presented to the board and the five (5) individual claims, Agency findings & recommendations read to the board, a discussion about these claims took place. Questions asked about if Ideal Organic Foods, Inc was out-of business (J. Rulon) was answered with yes. D. Villwock wanted to know the amount of time Ideal was in business and it was stated that it was not long, approximately two years. Deductions for the Fund were not taken by Ideal, but after an audit by the Agency the deductions were taken and paid by Ideal, then by producers following.

D. Villwock moved to concurrently deny claim #2 (Fizzle Flat Farm Marketing, Inc.) (Second from J. Rulon) *Motion carried that the board denied the claim from Fizzle Flat Farm Marketing, Inc..*

Then J. Rulon moved that the board approve for payment the other four (4) claims as recommended by the Agency. (Second from R. Hadley) *Eight voted to Approve, One opposed – Motion was carried, claims would be paid to: James L. Croghan for \$827.84; George W. Pifer for \$13,156.29; Michael G. Heimes for \$3,446.68; and James C. Rooney Farms for \$14,925.32. (Exhibit E)*

B. Benson stated that letters would be sent to all claimants letting them know of the board decision.

Chairman Benson reported that the Agency had received a phone call from a producer who couldn't be paid. The elevator in question had been sold and the Agency wasn't made known of this until after the fact. The elevator had been audited in December; financial statements met the Agency requirements. Yet the elevator, Zimmerman Grain, could not pay and there was no grain. A claims hearing is set for June 9, 2000, and the Agency is in the process of determining claimants. The board will meet sometime this fall; the Agency thinks claims will be approximately \$50,000.00.

B. Benson informed the board that M. McCory had finished drafting the rules for IGBWLA and the draft is in general counsel. She was complimented on her direction and focus.

#### **NEW**

**PRODUCER:** B. Benson stated that the poster regarding new producers had been mailed to all licensees (May 29, 1998)

and to this date we have received no new producer petitions. In the future, the board could have a new producer petition. The subject of defining new producers was discussed at the May 1997 annual meeting, a committee was appointed. The committee came back to the board at the following meeting with suggestions, if legacy could be proved, what about a non-participating producer purchasing a participating farm. It was then recommended by J.D. Lux that the board not define new producer.

Chairman Benson opened the floor for discussion today on new producers. Several suggestions of a new producer were presented by board members and others in attendance. Chairman Benson proposed a committee be formed to study into this issue. Chairman will choose committee members. Committee is to then report findings and recommendations at the next meeting. M. Thornberg and J. Steinhart to serve as resource persons.

**PRESENTATION:** G. Noble presented Mary McCory with a certificate of appreciation & plant arrangement for all her work and guidance she had given the board. She was wished good luck in her retirement years and told she would be greatly missed.

The meeting adjourned at 11:55 a.m.

Claim forms and travel vouchers submitted by:

John Colvin	Absent	Herman Rettinger	\$113.28
Roger Hadley	\$131.20	Jerry Rulon	\$69.60
Lynn Lykins	\$121.12	Lee Rulon	\$71.28
Atlee Oyler	\$86.40	William Tudor	\$66.80
		Don Villwock	\$106.00

Ken Klemme and Greg Noble did not wish to make claim for reimbursement of expense.

Respectfully submitted by Dennis Henry on May 25, 2000.

Exhibit A

**INDIANA GRAIN INDEMNITY CORPORATION  
BALANCE SHEET  
04/30/2000**

**ASSETS**

Cash	\$965,209.97
Investments	11,058,385.33
	<hr/>
<b>Total Assets</b>	<b><u>\$12,023,595.30</u></b>

**LIABILITIES AND FUND BALANCE**

Fund Balance	\$12,023,595.30
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<b>Total Liabilities and Fund Balance</b>	<b><u>\$12,023,595.30</u></b>

Exhibit A

**INDIANA GRAIN INDEMNITY CORPORATION  
STATEMENT OF OPERATIONS  
FOR THE TEN MONTHS ENDING APRIL 30, 2000**

**Revenues:**

Investment Interest	\$819,619.57
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<b>Total Revenues</b>	<u>819,619.57</u>
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**Expenses:**

Bank Charges	1,162.37
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Failure Reimbursement	201,035.10
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Supplies	140.69
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Travel	627.76
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Professional Services	1,626.00
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Inter-Department Billings	148.07
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<b>Total Expenses</b>	<u>204,739.99</u>
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<b>Net Income</b>	614,879.58
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<b>Fund Balance, 07/01/99</b>	<u>11,408,715.72</u>
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<b>Fund Balance, 4/30/00</b>	<u>\$12,023,595.30</u>
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## Petition to Reenter the Grain Indemnity Fund Calculation of Amount Due

	<u>Original Refund Amount</u>	<u>Date of Refund</u>	<u>Days Outstanding</u>	<u>Interest Rate</u>	<u>Interest Due</u>	<u>Total Amount Due</u>
<b>Mr. Jacob Klotz</b>	\$36.38	02/24/1998	821	5.43%	\$1.98	\$38.36
<b>Mr. David O'Malley</b>	\$57.04	05/19/1997	1101	5.42%	\$3.09	\$60.13
<b>Smith Brothers Farms</b>	\$166.65	09/25/1997	972	5.44%	\$9.06	\$175.71
	\$401.12	12/02/1998	908	5.44%	\$21.81	\$422.93
	<u>\$567.77</u>					<u>\$598.64</u>
<b>Mr. Bill Garris</b>	\$6.95	12/17/1996	1258	5.36%	\$0.37	\$7.32
<b>Mr. Robert E. Garris</b>	\$6.95	05/19/1997	1101	5.42%	\$0.38	\$7.33

Interest due calculation as approved by the Board:

Number of days from date of refund through date of annual meeting/365  
x weighted average rate of return during the time outstanding  
x the amount of the refund  
= Interest Amount Due

## Exhibit C

**PRODUCER CLAIM Against:  
Legacy AgriCorp  
P.O. Box 59  
Howe, Indiana 46746**

Legacy AgriCorp (Legacy) was a grain dealer located in Howe, Indiana. Legacy contracted with producers the purchase of Yellow Waxy Corn and had it delivered to Cerestar/USA, Inc. in Hammond, Indiana. Cerestar paid Legacy who was responsible for paying producers. Legacy was unable to pay one producer.

Legacy was registered as a Grain Buyer under IC 26-4. Legacy was not licensed under IC 26-3-7, the Indiana Grain Buyers and Warehouse Licensing Law. An audit of the firm, completed by the Indiana Grain Buyers and Warehouse Licensing Agency (the agency), found that Legacy did purchase less than (50,000) fifty thousand bushels of grain per year and was cash contracting only grain purchases that they made. The audit found the firm had been deducting the IGIC premium from producer settlements as required during the time that premiums were being deducted.

On November 23, 1999, the agency received a call from Mr. Scott Smith, a producer, who was having trouble getting paid by Legacy. Mr. Smith provided the agency a contract with Legacy, a list of unpaid deliveries, settlement sheets from Legacy as well as Lord's Grain, where he had sold grain prior to doing business with Legacy. After several attempts to reach owners, a letter was sent from General Counsel setting a time and place for all business records to be made available to the agency. Those records were secured on February 11, 2000. Confirmation letters were sent on February 14, 2000 to all known customers of Legacy. Legal notices were published in three (3) newspapers of general circulation in the area on between March 17 and March 22, 2000.

The following claim of loss has been submitted to the agency and has been compared to records collected by the agency to validate the loss and the participation of the producer in the Indiana Grain Indemnity Fund.

**Claim # 1 Scott Smith** 17120 C.R. 46 Howe, IN 46553

Mr. Smith's claim is for 4,454.46 bushels of yellow waxy corn @ \$2.06 per bushel plus \$.40 per bushel waxy premium based on contract and for 297.11 bushels delivered over contract @ \$1.91 per bushel.

**Total Claim \$11,575.37**

These bushels were sold through a contract with Legacy, delivered by Mr. Smith to Cerestar/USA, Inc.

Mr. Smith has submitted proof of participation in the indemnity fund.

**Agency Findings:** The records support Mr. Smith's claim. The agency finds the claim to be a valid loss to the producer.

**Agency Recommendations:** The agency recommends Mr. Smith's claim for \$11,575.37 be approved by the Board and Mr. Smith be paid at the 80% level for grain sold. The agency recommends a gross disbursement of \$9,260.30 to Mr. Smith.

Respectfully submitted this 24<sup>th</sup> day of May, 2000.

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Robert L. Benson, Director  
Indiana Grain Buyers and Warehouse Licensing Agency  
Suite 416 ISTA Center  
150 W. Market Street Indianapolis, Indiana 46204-2810

**Exhibit D**

**PRODUCER CLAIMS Against:  
Ideal Organic Foods, Inc.  
8911 E US 20  
Angola, Indiana 46703**

Ideal Organic Foods, Inc. (Ideal) was an organic grain dealer located in Angola, Indiana. Ideal contracted with producers the purchase of organically grown grain, predominately soybeans and popcorn. Ideal took delivery on grain under contract and was unable to pay producers for the grain.

Ideal was registered as a Grain Buyer under IC 26-4. Ideal was not licensed under IC 26-3-7, the Indiana Grain Buyers and Warehouse Licensing law. An audit of the firm, completed by the Indiana Grain Buyers and Warehouse Licensing Agency (the agency), found Ideal Organic Foods, Inc. did purchase less than (50,000) fifty thousand bushels of grain per year and was cash contracting only the grain purchases that they made. The audit found the firm had not been deducting the IGIC premium from producer settlements as required, however they had paid the premium as if it had been collected. Ideal was instructed to submit a listing of those producers that had sold grain to Ideal and for which Ideal has submitted the premium in their place. The agency did verify with the Ideal's records that the correct premium had been submitted. Ideal did submit the listing of the producers that were represented by the October, November, and December of 1997 quarter's premium. This listing was used in the validation of the submitted claims.

In August 1998 the agency did an audit on Ideal Organic Foods, Inc. The audit found the firm owed \$14.33 in additional IGIC premium to be in compliance with the current licensing law. The audit stated that the firm had contracted for more than the 50,000-bushel exemption allowed in the statute for the next year's delivery. The agency mailed a licensing package to the firm in August 1998. In October 1998, the agency received a call from Mr. Rooney, a producer, who was having trouble getting paid by Ideal Organic Foods, Inc. This was not the first problem we have had with this firm regarding slow payment. The agency contacted Ideal and was told that they were trying to work this out with the producer. The agency continued to follow up on this situation. No payments had been made to the producer and the agency sent a letter to Ideal regarding non-payment of the producer and requesting the licensing package be completed and returned. January 14, 1999 the agency received a call from Marvin Manges regarding non-payment on a popcorn delivery to Ideal. John Steinhart called Ideal and made an appointment for January 29, 1999 to discuss the current situation with Ideal. The January 29, 1999 meeting resulted in John preparing a quick balance sheet on the firm based on the available records and information provided by Mr. Waters. The results of the quick balance sheet were assets of \$34,000 and debt of \$160,000. The firm had product in the warehouse to be sold, however, Mr. Waters stated that the market had gone soft and he could not market the commodity for the contract price. Mr. Waters informed John that he was in the process of contacting the producers to see if they were willing to sell at a lesser price or if they wanted to pick their product up. The findings were discussed with the agency's appointed attorney and on February 1, 1999 a letter was mailed to the company denying them a license. Additional producers' called regarding non-payment and the office is unable to reach anyone by phone. On March 22, 1999 John Steinhart went to Angola to try and find Mr. Waters. Mr. Waters had a new job somewhere in Michigan and was finally located that evening at his home in Angola. Mr. Waters agreed to allow the agency access to the books at the facility the next day. John Steinhart and Kurt Simerman met Mr. Waters at the facility at 7:30 AM on March 23, 1999. Mr. Waters informed John that his computer had crashed and all the records were in the file cabinet in the office. Mr. Waters needed to go to work and stated he would be back that evening by 5:30 PM to lock up the facility. John and Kurt spent the day going through the file cabinet trying to piece together a set of books from incomplete records and ended up with only a listing of people that may have been customers of the business. Upon Mr. Waters return John gave him a list of records needed by the agency and asked that he notify the agency as soon as he could locate them. This was the last we heard from Charles Waters. April 22, 1999, the agency had a listing for a corporate officer in Michigan and wrote them requesting access to the records. On June 11, 1999, the agency did receive some documentation from Ideal on customer accounts. July 27, 1999, an attorney from Ann Arbor MI called to inform us that he is working to resolve the issue with Ideal Organic Foods, Inc. He appeared to be representing the corporate officer we wrote requesting records. The attorney stated he was having trouble getting the records from the accountant. Bob Benson again requested records be made available to us as soon as possible. October 22, 1999 the agency sent a mailing to all potential customers of Ideal requesting claims be prepared. In November the agency made public notice in 3 newspapers covering northeast Indiana, Southern Michigan and Northwest Ohio for any additional claimants. The results are as follows:

The following claims of loss have been submitted to the agency and have been compared to records collected by the



agency to validate the loss and the participation of the producer in the Indiana Grain Indemnity Fund.

**Claim # 1 James L. Croghan, 838 Speers Road, Wilmington, Ohio 45177**

Mr. Croghan's claim is for 104 bushels of splits at \$10.00 per bushel, the difference in sales price of \$22.50 per bushel for soybeans and the \$19.00 per bushel he received from a secondary buyer when Ideal could not perform on the contract. In addition, Mr. Croghan was unable to recover 104 bushels of the 143 bushels of soybean splits that remained from the processing and bagging of the soybeans by Ideal. Mr. Croghan was unable to market the 39 bushels of splits he did recover as organic and was forced to sell them at the local elevator for \$4.44 per bushel. Mr. Croghan is also requesting payment of the additional costs incurred in recovering the soybeans and splits. Mr. Croghan net claim is:

670 bushels x	\$3.50(difference in soybean contract price and sale price)	\$2,345.00
39 bushels x	\$5.66 (difference in splits contract price and sale price)	220.74
104 bushels x	\$10.00 (contract price of splits not recovered)	1,040.00
Additional costs:	Attorney Fees	250.00
	Additional trucking fees	217.00
	Total loss claimed	\$4,072.74

The IGIC quarterly report submitted by for October, November, December of 1997, shows Mr. Croghan as a contributor to the fund.

**Agency findings:** Records of Ideal validate that this producer did deliver organic soybeans to Ideal and the soybeans were processed and bagged for resale. The soybeans were in Ideal's warehouse and were recovered by the producer when Ideal was unable to find a suitable buyer for the soybeans. Mr. Croghan did suffer a contract loss and was unable to recover all the splits associated with the cleaning of his soybeans. The agency did not consider Mr. Croghan claim for attorney fees and trucking fees as part of the grain loss. The contract that was signed by Mr. Croghan and the other producers effectively gave Ideal the right of first refusal on the grain covered under the contract. As Ideal was unable to market the grain and the producer was able to recover and market the 670 bushels of soybeans and 39 bushels of soybean splits the stocks the agency considers this portion of the claim settled and not a part of the valid claim. The Agency finds that Mr. Croghan's claim is a valid and unrecoverable loss on the 104 bushels of splits at \$10.00 per bushel.

**Agency Recommendation:** The agency recommends the portion of the claim for attorney fees, trucking fees, and the differential in the contract price and end selling price on the recovered soybeans and soybean splits be denied. The agency recommends to the board that Mr. Croghan's claim for the 104 bushel of soybean splits be considered valid; as he was unable to recover the soybean splits. The agency recommends that at the contract price of \$10.00 per bushel be applied to the loss for a total loss of \$1,040.00. The agency recommends that the Mr. Croghan be paid at the 80% level for sold grain. The agency recommends a gross disbursement of \$832.00 to Mr. Croghan.

**Claim # 2 Fizzle Flat Farm Marketing, Inc., Marvin Manges, 18773 E 1600<sup>th</sup> Ave., Yale, Illinois, 62481**

Mr. Manges' claim is for 51,400 lbs of processed organic popcorn @ \$.28 per lb. Totaling \$14,392.00

Bills of Lading dated August 3, 1998 and August 5, 1998 support Mr. Manges' claim of having delivered 51,400 pounds of processed organic popcorn to Ideal. Per a conversation with Charles Waters of Ideal the popcorn was delivered to Stow Mills, NH and did not meet the required standards of the contract. Charles Waters of Ideal claims this product was shipped back to Ideal and re-cleaned and repackaged and the buyer did accept part of the product. Ideal did ship this product on and did not pay Mr. Manges. There is no evidence of additional negotiations with Mr. Manges regarding the additional processing or the subsequent sale of the product.

The records show that Mr. Manges sold 5,000 pounds of organic popcorn to Ideal on April 29, 1998 and was paid by check # 1924 for \$1,400, dated 06/24/98. No IGIC premium was deducted by Ideal. IGIC quarterly report indicates that Ideal submitted producer premiums in the amount of \$111.90 for the months of April, May and June 1998.

Robert Benson talked, via telephone, on February 23, 2000 and the week of March 13, 2000 to Mr. Manges and he still cannot provide proof of participation in the indemnity fund. Mr. Manges claims to have sold grain to Consolidated Grain and Barge in Mt. Vernon, IN; however, those sales were prior to July 1, 1996.

**Agency findings:** The records and testimony support Mr. Manges claim of loss. The agency believes that Mr. Manges suffered a financial loss, however, the agency questions the total amount of the loss due to the mitigating circumstances.

**Agency Recommendation:** Mr. Manges has been unable to show proof of participation in the Indiana Grain Indemnity fund. The agency recommends that Mr. Manges's claim should be denied on that basis.

**Claim # 3 George W. Pifer**, 1132 N 290 W, Angola, Indiana, 46703

Mr. Pifer's claim is for 1,033 bushels of organic soybeans delivered to Ideal on 12/9/1997

1,033 bushels x	\$16.00(contract price)	<b>\$16,528.00</b>
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Ideal shows in their records that they received these soybeans per the contract. Subsequently, the soybeans spoiled in a hopper bin at the Ideal warehouse.

Mr. Pifer has submitted proof of participation in the indemnity fund.

**Agency findings:** The records and testimony support Mr. Pifer's claim. The fact that the soybeans spoiled in a bin under Ideal's control is not germane to this claim. The agency finds the claim to be valid loss to the producer.

**Agency Recommendation:** The agency recommends Mr. Pifer's claim for \$16, 528.00 be approved by the board and Mr. Pifer be paid at the 80% level for sold grain. The agency recommends a gross disbursement of \$13,222.40 to Mr. Pifer.

**Claim # 4 Michael G. Heimes**, 88871 561st Ave., Hartington, Nebraska, 68739-6107

Mr. Heimes' claim is for 241.00 bushels of organic soybeans @ \$18.00 per bushel. Claim includes a copy of an electronic scale ticket dated 5/6/1998 by the scales and 5/7/1998 by hand. A copy of a bill of lading, 23737 from Organic Crop Improvement Association, 1405 South Detroit Street, Bellefontaine, Ohio, 46703, dated 5/7/1998 and signed by Mr. Heimes and the carrier, Rite-way, Ken Fox, describing a total of 8 tote bags of soybeans shipped from Mr. Heimes to Ideal in Angola, Indiana. There is evidence to show Mr. Heimes has participated in the indemnity fund. This proof is based on IGIC quarterly report submitted to the agency. The IGIC quarterly report submitted for October, November, December of 1997, shows Mr. Heimes as a contributor. Mr. Heimes' claim totals **\$4,338.00** for 241.00 bushels of soybeans.

In addition to the claim on organic soybeans, Mr. Heimes, is requesting payment of \$25.00 for pallet jack rental and \$8.00 for use of pallets needed to ship the soybeans.

**Agency findings:** The agency finds sufficient evidence to support Mr. Heimes' claim for \$4,338.00. The claim for the pallet jack and pallet were not considered a part of the valid claim.

**Agency Recommendation:** The agency recommends Mr. Heimes' claim for \$4,330.00 be approved by the board and Mr. Heimes be paid at the 80% level for sold grain. The agency recommends a gross disbursement of \$3,464.00 to Mr. Heimes.

**Claim # 5 James C. Rooney Farms**, 707 West Hickory Road, Urbana, Ohio, 43078

Mr. Rooney's claim is for 1,041 bushels of organic soybeans @ \$20.00 per bushel delivered to Ideal on July 15, 1998. The claim totals \$20,820.00. Mr. Rooney submitted two bills of lading, one for 619 bu. organic soybeans and a second for 422 bu. of soybeans. The records of Ideal show receipt of these two loads and a settlement prepared after conditioning of these soybeans for marketing. The settlement complies with the contract terms and shows net marketable bushels after cleaning to be 852.52 bu of soybeans at \$20.00 per bushel and 170 bu. of split soybeans at \$10.00 per bushel showing a total payable to Mr. Rooney of \$18,750.40. Mr. Rooney has presented the agency with proof of participation in the indemnity fund on soybeans sold to Countrymark Cooperative, Inc., Flora, Indiana seed plant. Soybeans were sold on November 26, 1997 and May 1, 1998, with IGIC premiums being deducted from the settlements. .

**Agency findings:** The agency finds sufficient evidence to support Mr. Rooney's claim in the amount of \$18,750.40 based on the company records. Mr. Rooney's claim for \$20,820.00 was based on the gross bushels prior to cleaning and conditioning.

**Agency Recommendation:** The agency recommends Mr. Rooney's claim be approved at \$18,750.40 and Mr. Rooney be paid at the 80% level for sold grain. The agency recommends a gross disbursement of \$15,000.32 to Mr. Rooney.

All disbursements are subject to the Soybean Promotion and Research checkoff.

Respectfully submitted this 24th Day of May, 2000.

X \_\_\_\_\_

Robert L. Benson, Director  
Indiana Grain Buyers and Warehouse Licensing Agency  
Suite 416, ISTA Center  
150 W. Market Street  
Indianapolis, Indiana 46204-2810

EXHIBIT E - Spreadsheet of Claims brought before the Board  
on 5/24/00.

**IDEAL ORGANIC FOODS INC**

Claim #	Name	Verified Claim	Allowable %	Allowable %	Approved	Sparc	Net
1	James L. Crogan	\$1,040.00	80.00%	\$832.00	\$832.00	\$4.16	\$827.84
2	Fizzle Flat Farm Marketing, Inc.	\$14,392.00	80.00%	\$0.00	\$0.00	\$0.00	\$0.00
3	George W. Pifer	\$16,528.00	80.00%	\$13,222.40	\$13,222.40	\$66.11	\$13,156.29
4	Michael Heimes	\$4,338.00	80.00%	\$3,470.40	\$3,470.40	\$17.35	\$3,453.05
5	James C. Rooney Farms	\$18,750.40	80.00%	\$15,000.32	\$15,000.32	\$75.00	\$14,925.32
Ideal Organic Foods Inc - Totals		\$55,048.40		\$32,525.12	\$32,525.12	\$162.62	\$32,362.50

**LEGACY AGRICORP**

	Scott Smith	\$11,575.37	80.00%	\$9,260.30	\$9,260.30	\$0.00	\$9,260.30
<b>GRAND TOTALS OF ALL CLAIMS</b>		<b>\$66,623.77</b>		<b>\$41,785.42</b>	<b>\$41,785.42</b>	<b>\$162.62</b>	<b>\$41,622.80</b>