

INDIANA GRAIN INDEMNITY BOARD

OFFICIAL MEETING MINUTES

Chairman William Johnson called the annual meeting of the Indiana Grain Indemnity Corporation Board of Directors to order at 10:07 a.m. on May 24, 2007. The meeting was held in Assembly Hall C 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:

Robert Ax	Lynn Lykins	Lee Rulon
John Colvin	Fred Reichart	William Tudor
Roger Hadley	Herman Rettinger	Don Villwock

The nonvoting members or their representatives present were:

William K. Johnson, Director of Indiana Grain Buyers & Warehouse Licensing Agency
Duane Jasheway, representative of the Treasurer of State
Greg Zoeller, representative of the Attorney General

ABSENT: The voting member absent for the meeting was:

Mike Shuter

RESOURCE The following resource people were present:

STAFF:

Beth Bechdol, Deputy Director, Indiana State Department of Agriculture
Dennis Henry, Indiana Grain Buyers & Warehouse Licensing Agency
Cress Hizer, Indiana Grain & Feed Association
Atlee Oyler, Retiring Board Member
Justin Schneider, Legal Counsel, Indiana Farm Bureau
Mark Thornburg, Legal Counsel, Indiana Farm Bureau

The following guests were present:

Deb Abbott, Asst. Director – Communications & Outreach, ISDA
Joe Miller, Attorney

QUORUM: Chairman Johnson stated that there was a quorum present. Chairman Johnson passed the sign-in sheet and asked those present to sign and update any out-of-date contact information.

MINUTES: Copies of the minutes of the previous meeting (February 23, 2007) were mailed to board members to review. D. Villwock moved to approve the minutes as written. (Second from L. Rulon) *The minutes of the February 23, 2007, meeting were approved as written.*

BOARD APPOINTMENTS: With the schedule of staggered terms of office, four (4) board member's terms had expired. Letters were mailed to the appointing organizations. The Indiana Bankers Association has appointed Robert G. Ax to represent them on the board for a four (4) year term. Indiana Farm Bureau has reappointed Don Villwock to represent them on the board for an additional four (4) year term. The Indiana Seed Trade Association has reappointed Lee Rulon to represent them on the board for an additional four (4) year term. The Indiana Soybean Alliance has reappointed Roger Hadley to represent them on the board for an additional four (4) year term. These four (4) terms will expire in the year 2011.

With the appointment of R. Ax, Atlee Oyler retired from serving on the board. Chairman Johnson thanked the charter member of the indemnity board for all his work through the years and presented A. Oyler with a service award. A. Oyler then thanked the board and gave a short speech.

Chairman Johnson introduced R. Ax and asked him to give the board a short bio on himself.

J. Colvin announced to the board that the two (2) largest Indiana organizations representing the interest of bankers have joined to become one organization. Chairman Johnson relayed to the board that he has asked the attorney general's office for a ruling on this matter.

FINANCIAL: The next order of business was the financial report prepared by Duane Jasheway on April 31, 2007, disclosing a fund balance of \$14,758,626.53. Included with the balance sheet was a statement of operation and a listing of fund investment information. D. Jasheway reported that the average rate of return on investments is up to 5.24% and projected \$750,000.00 in interest for this year. Copies of the reports were distributed (Exhibit A). A motion by J. Colvin was made to accept the financials as they were presented. (Second by H. Rettinger) *The motion was carried and the financials were approved as presented as of January 31, 2007 and the amount of the fund on May 1, 2007 was certified to be \$14,758,626.53.*

OLD BUSINESS: Chairman Johnson reminded the board that the Indiana Grain Buyers & Warehouse Licensing Agency (IGBWL) would be hosting the 2007 American Association of Warehouse Control Officials (AAWCO) Annual Conference, August 5 – 8, 2007. He noted that emphasis would be on biofuels and this conference would have an additional Field Staff program. Chairman Johnson has asked D. Villwock to speak on behalf of the board at the conference and invited the board to attend this conference.

Chairman Johnson then asked Beth Bechdol to address the board and recap the developments regarding funding for the agency and the creation of an agency fund. She noted that the department is working with the industry to create a working group to discuss agency fee increases. Lastly B. Bechdol stated to the group that the department would make sure the day-to-day business of the agency remains at its highest performance.

NOMINATIONS

COMMITTEE: Chairman Johnson asked for the report from the Nomination Committee. J. Colvin said the committee was unable to meet and asked for nominations from the floor. W. Tudor nominated D. Villwock to continue as Vice President and R. Hadley to continue as Secretary/Treasurer. With no other nominations a second came from J. Colvin. H. Rettinger motioned that nominations be closed and that the officers be elected by acclamation. (Second by J. Colvin) *Motion carried and the nominees were elected to their respective offices unanimously.*

NEW BUSINESS: Chairman Johnson announced to the board that the agency was currently working on a licensee failure. He stated that the agency was still waiting on a few claims and expects to have the Fact and Final Order completed soon. If the agency has no appeals, then checks will be written and remaining claims will then be presented to the board about mid-June, early July for review. Chairman Johnson gave the board preliminary numbers of the dollar amount of claims. The board then discussed issues regarding this failure.

R. Hadley questioned the board's reimbursement for mileage due to the rising gas prices. D. Henry explained that the board is reimbursements follow the same guidelines produced by the State of Indiana, the current allowance being \$0.40 per mile.

C. Hizer then updated the board on current issues being addressed by the Indiana Grain and Feed Association.

ADJOURNMENT: It was motioned that the meeting adjourn by R. Hadley. (Seconded by F. Reichart) The meeting adjourned at 11:30 a.m.

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

Robert Ax	\$200.40	Fred Reichart	\$102.00
Roger Hadley	\$166.00	Herman Rettinger	\$140.40
Lynn Lykins	\$98.00	Lee Rulon	\$80.40
Atlee Oyler	\$102.00	William Tudor	\$74.00

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

Respectfully submitted by Dennis Henry on June 08, 2007.

Exhibit A

INDIANA GRAIN INDEMNITY CORPORATION BALANCE SHEET 4/30/2007

ASSETS

Cash	\$38,867.15
Investments	14,719,759.38
Total Assets	<u>\$14,758,626.53</u>

LIABILITIES AND FUND BALANCE

Fund Balance	\$14,758,626.53
Total Liabilities and Fund Balance	<u>\$14,758,626.53</u>

STATEMENT OF OPERATIONS FOR THE TEN MONTHS ENDING APRIL 30, 2007

Revenues:

Investment Interest	\$684,203.25
Grain Failure Reimbursement	<u>222,590.39</u>

Total Revenues 906,793.64

Expenses:

Failure Reimbursement	0.00
Bank Charges	1,183.16
Advertising	0.00
Supplies	41.80
Travel	856.80
ID Billing	0.00
Salary Reimbursement	0.00

Total Expenses 2,081.76

Net Income 904,711.88

Fund Balance, 07/01/06 13,853,914.65

Current Fund Balance \$14,758,626.53

<u>Inv #</u>	<u>Investment #/Institution</u>	<u>CO</u>	<u>Purchase date</u>	<u>Maturity date</u>	<u>Par Original Cost</u>	<u>Coupon Yield</u>	<u>Interest Amt</u>	<u>Fund / Center</u>	<u>TOS #</u>
6228 3	PRODUCER PREMIUM FD HORIZON BANK, NA	46	02/22/2007	05/24/2007	1,000,000.00 1,000,000.00	5.1400 5.1400	12,992.78	6990- 100400	146
6230 3	PRODUCER PREMIUM FD FCN BANK, NATIONAL ASSOC.	24	03/29/2007	09/27/2007	1,090,000.00 1,090,000.00	5.3800 5.3800	29,646.79	6990- 100400	146
					2,090,000.00 2,090,000.00	5.2652 5.2652	<u>42,639.57</u>		
CERTIFICATE OF DEPOSIT TOTAL									
3791 4	PRODUCER PREMIUM FD BANK OF NEW YORK	00	12/11/2006	05/15/2007	1,635,000.00 1,599,379.71	5.0600 5.2450	35,620.29	6990- 100400	146
3802 6	PRODUCER PREMIUM FD BANK OF NEW YORK	00	02/06/2007	05/04/2007	1,000,000.00 987,626.67	5.1200 5.2560	12,373.33	6990- 100400	146
3811 6	PRODUCER PREMIUM FD BANK OF NEW YORK	00	03/16/2007	09/10/2007	1,000,000.00 975,005.83	5.0550 5.2570	24,994.17	6990- 100400	146
3814 5	PRODUCER PREMIUM FD BANK OF NEW YORK	00	04/02/2007	10/01/2007	1,155,000.00 1,125,512.21	5.0500 5.2540	29,487.79	6990- 100400	146
3818 1	PRODUCER PREMIUM FD BANK OF NEW YORK	00	04/19/2007	10/03/2007	990,000.00 966,807.88	5.0500 5.2430	23,192.13	6990- 100400	146
3820 2	PRODUCER PREMIUM FB JPMORGAN CHASE BANK, N.A	99	04/25/2007	10/17/2007	1,000,000.00 975,427.08	5.0550 5.2540	24,572.92	6990- 100400	146
					6,780,000.00 6,629,759.38	5.0642 5.2510	<u>150,240.63</u>		
GOVERNMENT AGY DISCOUNT NOTES TOTAL									
36810	PRODUCER PREMIUM FD BANK OF NEW YORK	00	07/27/2005	07/27/2007	1,000,000.00 1,000,000.00	5.0000 4.5000	101,388.89	6990- 100400	146
37066	PRODUCER PREMIUM FD BANK OF NEW YORK	00	01/18/2006	01/18/2008	1,000,000.00 1,000,000.00	5.1250 5.1250	103,923.61	6990- 100400	146
37861	PRODUCER PREMIUM FD	00	11/02/2006	11/19/2007	1,000,000.00	5.3000	56,238.89	6990- 100400	146

	BANK OF NEW YORK				1,000,000.00	5.3000			
37922	PRODUCER PREMIUM FD BANK OF NEW YORK	00	12/14/2006	12/14/2007	1,000,000.00	5.2000	52,722.22	6990-100400	146
					1,000,000.00	5.2000			
38016	PRODUCER PREMIUM FD BANK OF NEW YORK	00	01/30/2007	01/30/2008	1,000,000.00	5.2500	53,229.17	6990-100400	146
					1,000,000.00	5.2500			
38078	PRODUCER PREMIUM FD BANK OF NEW YORK	00	03/01/2007	03/01/2012	1,000,000.00	5.5000	279,125.00	6990-100400	146
					1,000,000.00	6.0000			
	GOVT AGENCY COUPONS TOTAL				6,000,000.00	5.2292	<u>646,627.78</u>		
					6,000,000.00	5.2292			
	TOTAL FOR FUND CODE				14,870,000.00	5.1590	<u>839,507.98</u>		
					0	5.2442			
					14,719,759.38				

Date: 05/01/2007