

**For APPROVAL NAEGA Board of Directors Meeting Minutes
New Orleans Sheraton, New Orleans, LA – March 20, 2016, Approximately 1:00pm
Central Time**

Board Members in Attendance	Company
1. Steve Smalley	Cargill
2. Steve Campbell	Louis Dreyfus
3. Charlie Colbert	Zen-Noh Grain Corp.
4. John Griffith	CHS, Inc.
5. Tsuyoshi Nakano	Mitsui & Co.
6. Randal Ritchie	Gavilon
7. Wesley Uhlmeyer	ADM
8. Carsten Bredin	Richardson International
9. Holly Womack	CoBank
10. Steve Strong	Bunge North America
11. Augusto Bassanini	United Grain Corporation
12. David Smoot	Viterra
13. Amer Badawi	Columbia Grain

Also attending were: Gary Martin, Ryan Olson, Sam Bonilla, Paul Green, Virginia Mattingly – NAEGA; Mike Bowman – Zen Noh Grain Corporation and Acting NAEGA Counsel; Andrew Marting – Bunge North America; Matt Boucree – The Blue Water Shipping Company; Kendall Keith – Louis Dreyfus Company; Anthony Reed – ADM; Herb Yeaman and Bartek Drewnowski – Degesch America;

Steve Smalley, Chairman of the NAEGA Board of Directors, presided over the meeting beginning at approximately 1:00pm Central Time in the Nottoway Room of the Sheraton New Orleans Hotel in New Orleans, Louisiana. Proceeding through the proposed agenda:

1. The meeting was called to order. Mike Bowman, acting counsel, reviewed the antitrust policy and other compliance related commitments.

All attendees self-identified and a quorum of Board members was identified.
2. NAEGA President and CEO Gary Martin introduced the meeting and welcomed all attendees to New Orleans. Gary thanked members for their membership and continued engagement with NAEGA.
3. Steve Smalley was nominated to serve as Board Chairman. The nomination was seconded and approved unanimously.
4. Board Chair Steve Smalley reviewed the agenda and a called for additions. No additions to the agenda were proposed and motion to accept the agenda as written was tabled. The motion was seconded and approved.
5. Minutes from the last Board of Directors meeting in Miami, Florida on January 31, 2017 were considered and approved.

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6. Other officers for the coming year were elected: Steve Campbell as First Vice Chair; Charles Colbert, Wes Uhlmeier, Steve Strong, John Griffith and Carsten Bredin as Vice Chairmen; and Holly Womack as Secretary/Treasurer.
7. Treasurer Holly Womack briefed the Board on the pending financial controls policy. Holly and Ryan are examining current policy with the intent to update NAEGA's financial controls. The review includes consideration of security, oversight and transparency as well transaction costs and efficiency. As soon as possible Holly, outside accountant Joe Kotwicki and NAEGA staff will provide a draft updated financial control policy for Board approval.
8. Gary discussed the 2017 fiscal year budget. After reviewing the proposed budget Gary received approval to delay the final 2017 budget until more is known about IGTC receivables. Two key budget lines were addressed in detail:
 - A. *IGTC funding*: The IGTC is pursuing its financial policy according to the 2017 Business Plan. Invoices for Member dues and Corporate Stakeholder investments have been sent out. Gary will report on commitments and receipts. Gary will seek revision to the IGTC business plan to provide for a one time only Corporate Stakeholder investment and increased trade association member funding targeted to provide for IGTC financial independence from NAEGA underwriting by the end of 2017.
 - B. *NAEGA Market Access Program (MAP)*: 2017 MAP funding is in place and NAEGA was awarded a record amount. NAEGA will again apply to USDA FAS for MAP funding for 2018. The Trump administration has proposed cutting the discretionary budget significantly, and while MAP was not mentioned in the most recent budget proposal, its future is uncertain. Funding cuts that impact allocation for reimbursements NAEGA receives from USDA FAS under the MAP could happen during negotiations regarding the 2017 budget or during authorization to the Farm Bill in 2018. A key to NAEGA ability to respond to any such reduction on the MAP will be completing the transition of IGTC from NAEGA underwriting.
9. Reports and requests from NAEGA Committees included:
 - A. Contracts Committee by Chairman Andrew Marting:
 - i. *Committee Membership*: Approved request to add two new committee members: Liz Zezima – Lansing Trade Group; and Paul Erickson, Providence Grain Solutions. The Chairman reported that the apprentice program is up and running. Three apprentices and observers have been participating in Committee meetings and working group calls over the past few months.
 - ii. *Arbitration panelists*: The Committee has approved the recommended 17 panelists to serve as NAEGA approved AAA arbitrators. The panelists include all 15 previous panelists and two new panelists: Lucienne Agniel –

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Agniel Commodities; and Todd Erickson, Cargill.

- iii. *NAEGA Contract Revisions:* The NAEGA Contract Working Group is currently proceeding through revisions of the 2000 NAEGA No. 2 with a goal of completing all revisions by the end of 2017. The working group has met 16 times since organizing following a meeting of the Contracts Committee in October. Currently, the working group has proposed a number of changes to the contract, including changes to Clause 6, 7, 17, 20 and 26 and the creation of a Clause 30 to incorporate Addendum 2 into the contract body. In addition, the Committee has developed a Clause 20 procedures document to guide staff, panelists, and requesting parties through the Clause 20 process.
- iv. *AAA ICDR:* Over the past year NAEGA has completed key agreements with AAA, including the appointment of Sam Bonilla as AAA liaison and agreement from AAA to allow special NAEGA appointed arbitrators to serve as AAA chairmen.
- v. *Seminars:* NAEGA staff plan on holding 5 seminar this year, including: New Orleans, Kansas City, Minneapolis, Vancouver and Tokyo.

B. *Grades and Inspections Committee.* Gary reported as Nick Friant, the Committees Chair, was hosting an elevator tour as part of the NGFA program of events. Key policy and commercial issues currently under Committee purview are North American Phytosanitary and grain quality regulatory coherence, country of origin certification, U.S. Grain Standards Act implementation and renewal, electronic documentation and several IGTC policy files.

- i. Canada, U.S. and Mexico – U.S. cross border issues are likely to be a focus of efforts to modernize the North American Free Trade Agreement (NAFTA).
- ii. Country of Origin certification has come up with respect to the Korea-U.S. FTA and is likely to a key issue in any discussion of trade relationships.
- iii. Improvements in the services provided by the U.S. Federal Grain Inspections Service remain the top priority for the Committee. While working to encourage key appointments in the Trump Administration, the Committee is preparing for formal opportunities to address a future reorganization. Opportunities include Farm Bill legislation that is expected to be considered in late 2017 for passage in 2018 and the 2021 reauthorization of the Grain Standards Act. The Committee is considering measures as part of a pending USDA reorganization that would place FGIS in the Agriculture Marketing Service and ways to expand the utilization of third party and independent inspection services.

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- iv. Key IGTC engagement includes the pending International Plant Protection Convention (IPPC) International Standard for Phytosanitary Measures (ISPM) for grain and IGTC's Electronic Documentation Working Group which is very engaged in the IPPC development of an e-Phyto Hub system.
 - v. *Production Technology Committee:* Chair Anthony Reed reported on efforts to engage with the U.S. Biotech Crops Alliance (USBCA), the Animal Plant Health Inspection Service's interest in revising its Part 340 Regulation of Biotechnology and IGTC policy files on Pesticide Residue Maximum Residue Levels (MRL) and Plant Breed Innovation (PBI). A recommendation to continue as a member of USBCA was approved. A priority and urgency to increase efforts related PBIs were established.
10. Ryan Olson, NAEGA Director of Operations, reviewed the NAEGA International Programs Budget. NAEGA has received all reimbursements from the Commodity Credit Corporation for MAP programming in 2016. NAEGA used all of its allowed MAP funding in the 2016 Program Year. In 2017, NAEGA is authorized to spend \$346,388, \$7,000 more than last year. A significant amount of NAEGA MAP programming continues to be dedicated to IGTC. The IGTC Secretariat has an ambitious plan for member working visits around the world in 2017, including South Africa, Kenya, Brazil, Argentina, Australia and India.
11. The successful outstanding contribution of NAEGA and Contractors, including Senior Advisors and interns was recognized. NAEGA Senior Advisors were highlighted in remarks from Gary Martin. Noting the unprecedented and greatly expanded NAEGA and IGTC programming and impact benefiting NAEGA members was directly tied to the work of staffing in cooperation with NAEGA member volunteers, Gary indicated high confidence in NAEGA's performance.
12. Reflecting on numerous NAEGA accomplishments, Chairman Smalley thanked membership and staff for their hard work and ongoing contribution to the Association while noting several important opportunities for future action.
13. Future meeting dates and new business were considered. Staff was asked to develop a meeting in DC to engage in several U.S. policy developments as well as the new U.S. Government. June 8 was targeted for such a meeting.
14. Meeting adjourned at approximately 3:00pm Central time.