

Minutes from the
Monday, March 18, 2019 Meeting of the
North American Export Grain Association (NAEGA) Board of Directors

Steve Smalley, Chairman of the NAEGA Board of Directors, presided over the meeting until new Board leadership was elected. The meeting began at approximately 1:00pm Eastern time in the Plaza 2 Room of the Ritz Carlton Amelia Island at 4750 Amelia Island Pkwy, Amelia Island, FL.

1. The meeting was called to order and compliance with relevant laws, including anti-trust, was mandated. Michael Kaye of ADM reviewed the anti-trust policy.
2. Attendees self-identified and a quorum of Board members was recognized as available for voting. Board members in attendance:

1) Steve Smalley	Cargill, Inc.
2) Gordon Russell	Louis Dreyfus Company
3) Charles Colbert	Zen-Noh Grain Corp.
4) Steve Strong	Bunge North America
5) John Griffith	CHS, Inc.
6) Wesley Uhlmeyer	ADM
7) Carsten Bredin	Richardson International
8) Holly Womack	CoBank
9) David Smoot	Viterra
10) Jason Hofer	Gavilon Grain, LLC
11) Kevin LaGraize	The Russell Marine Group
12) Augusto Bassanini	United Grain Corporation
13) Kurt Haarmann	Columbia Grain

Also attending were: Gary Martin, Ryan Olson, Sam Bonilla, Andrew Marting and Kirk Miller – NAEGA; Maria Reintiz – Gavilon Grain; Maurice Hurst and Nick Friant – Cargill, Inc.; Jessica Stephan – Bunge North America; Gary Bigler – Louis Dreyfus Company; John Coyle – Blue Water Shipping Company; Bartek Drewnowski and Herb Yeaman – Degesch America; Yuki Kakida – Pacifcor, LLC; Anthony Reed, Matt Hopkins and Michael Kaye – ADM; Kevin LaGraize – Russell Marine Group; Gary Williams – United Grain Corporation; Dave Weidmaier – Louis Dreyfus Company; Naoki Yoshizumi and David Christofore – Agrex, Inc.; Dave Koskie – Paterson Grain; Joe Somers and Andy Winters – Informa Agribusiness Consulting.

3. A proposed agenda was reviewed. It was proposed that Committee reports be moved up in the agenda to accommodate some committee chair travel schedules. It was agreed to amend the agenda to consider committee reports before the financial report. A motion to approve the agenda as amended was seconded and approved.
4. A motion to nominate Wes Uhlmeyer as the Chairman of the Board of Directors was seconded and approved. Wes Uhlmeyer succeeded Steve Smalley as Board Chairman and presided over the balance of the meeting. A motion to nominate John Griffith as First

Vice Chair was seconded and approved. A motion to nominate Steve Smalley, Gordon Russell, Charles Colbert, Steve Strong and Carsten Bredin as Vice Chairs was seconded and approved. A motion to nominate Holly Womack as the Secretary/Treasurer was seconded and approved. The NAEGA Executive Committee is now:

<u>Name</u>	<u>Company</u>
Wesley Uhlmeyer	Chairman
John Griffith	First Vice Chair
Steve Smalley	Vice Chair
Gordon Russell	Vice Chair
Charles Colbert	Vice Chair
Steve Strong	Vice Chair
Carsten Bredin	Vice Chair
Holly Womack	Secretary/Treasurer

5. Gary Martin requested Board consideration of the committee appointments and contacts in the Directory. It was noted that changes to the directory should be sent to Director of Operations Ryan Olson. No changes appointments were proposed.
6. The Board reviewed the minutes from its last meeting on January 29, 2019. No changes were proposed to the minutes. A motion to approve the minutes was considered, seconded and approved.
7. NAEGA committee reports:
 - a. *Contracts Committee*: The committee has met three times in the last year and has rotated responsibilities between co-chairs Maurice Hurst and Maria Reintz. Maurice Hurst, Committee co-chair, reported, as follows:
The committee has contacted all 22 arbitration panelists that were approved in March 2018 to confirm their status as still active and interested in being arbitration panelists. All have expressed interest in staying on the list. In addition, all seven Special Grain Arbitrators have expressed interest in remaining on the list. The committee requested Board approval of the 22 current NAEGA arbitration panelists and the seven special grain arbitrator panelists for the coming year. A motion to do so was seconded and approved.

The terms of the committee's two emeritus members, Jay O'Neill and Lucienne Bulow, expire. Both have expressed interest in being extended for another 3-year term. Both Jay and Lucienne are active and have added value to the discussion during the meetings. A motion to extend the two emeritus members of the Contracts Committee was seconded and approved.

Since the release of the NAEGA 2 Model Contracts on March 30, 2018 the committee has been monitoring adoption and application. At this time the committee has nothing to report and believes the new contract is being widely adopted.

During the committee's meeting on March 17, committee members received an update from AAA ICDR on promised trainings on the ICDR arbitration rules. AAA has indicated that they plan on holding 3 training sessions in 2019, with the first session to take place on May 15 in Edinburgh, Scotland. Attendance at a AAA training session is required for any new Special Grain arbitrators. The committee has established a goal of training 5 additional arbitrators to become special grain arbitrators in the next year. To support these training efforts, the committee requested NAEGA fund up to \$20,000 to help assist arbitrators with the cost of training, including registration fees and travel. A motion to budget \$20,000 to this effort was seconded and approved.

The committee has been engaged in multiple efforts to provide for document digitization, updating language in the Clause 20 procedures, and scheduling of contract training seminars for the balance of 2019.

b. *Grades and Inspections Committee*: Nick Friant, Grades and Inspection Committee Chairman reported as follows:

The committee met on March 17, 2019 jointly with the National Grain and Feed Association's Grain Grades and Weights Committee. During the meeting, members heard an update from Federal Grain Inspection Service (FGIS) Acting Deputy Administrator Dana Coale and FGIS Field Management Division Acting Director Tony Goodeman. During the briefing, Ms. Coale and Mr. Goodeman provided an update on FGIS activities, including management priorities and initiatives. Currently, FGIS is focused on improving management at the Kansas City office and is implementing new national inspector performance evaluation methodologies. FGIS addressed fears that, with the merger of FGIS into the Agricultural Marketing Service (AMS), the service's accounts and money streams would become consumed by AMS. Ms. Coale assured committee members that FGIS accounts have been preserved in the U.S. Treasury accounting system. In the coming months FGIS is anticipating leadership changes at the national level.

This year the committee will be working closely with NAEGA and NGFA staff to advise Congress on the reauthorizing legislation for the U.S. Grain Standards Act. The Act expires in 2020, but the House and Senate Agriculture Committee have indicated that they would like to begin to work on reauthorization language as soon as possible. The joint committees are currently moving through an information gathering process to provide resources to Congress on successes and failures of the current grain standards act and recommendations for changes.

Moving forward, the committee will continue to monitor activities at the International Plant Protection Convention, including the creation of International Standards for Phytosanitary Measures (ISPM) for weed seed and containers. The committee is also monitoring how NGFA decides to respond to issues regarding exception for third party inspections and European corn borer certifications.

- c. *Production Technology Committee*: Anthony Reed, Co-Chair of the Production Technology Committee, reported as follows: The committee met in person on the morning of March 18, 2019. During this meeting, the Committee received a presentation on the Precision Biotechnology Information Exchange (PBIE) from Informa Agribusiness Consulting. Over the next few months, NAEGA and committee members will be engaging closely with Informa to develop and populate the exchange as a way to increase transparency and inform trade risk for precision biotechnologies. NAEGA is engaging with Informa until September 2019 as part of the development of a beta version of the exchange. Further engagement with Informa after September 1 will be determined following input from committee and board members.

The Production Technology Committee also was invited to attend a meeting of the NGFA Crop Technology Committee on March 17. During this meeting, NGFA members discussed comments on the proposed Part 340 rulemaking and received a pipeline briefing from technology providers.

8. NAEGA Treasurer Holly Womack reported on NAEGA finances, as follows:

NAEGA's accountant Joe Kotwicki has completed the unaudited review for the end of the year 2018. NAEGA will again be working with Jones, Maresca and McQuade to complete a review of the 2018 finances. NAEGA is currently beginning implementation of a new financial controls policy, which was approved by the Board of Directors during its January 29, 2019 meeting. Over the coming weeks NAEGA will begin implement ACH and wire transfers for most vendors based on this policy and utilizing Wells Fargo's Commercial Electronic Office. Gary reviewed the IGTC's impact on the NAEGA budget and discussed ongoing IGTC administrative efforts to establish a bank account. The NAEGA Budget Worksheet was presented by staff. The Contracts Committee's approved budget allocation of \$20,000 for arbitrator training would be drawn from personnel expenses. A motion to accept the 2019 budget with the addition of a \$20,000 budget line for the Contracts Committee was seconded and approved.

9. The board discussed the location for its next meeting. NAEGA staff will propose dates for a meeting in September in Arlington, VA.
10. Motion to adjourn was heard, seconded and approved. The board adjourned at approximately 3:30pm. A short, closed meeting of the Executive committee followed at which staff performance and compensation as well as litigation was considered.