

## MINUTES

**Meeting:** Southwest Council of Agribusiness  
Board of Directors  
Conference Call – November 2, 2007

**Attendance:** Board: Dee Vaughan, Rickey Bearden, Ted Higginbottom, Mike Alexander, L.G. Raun, Tommy Womack, Ross Wilson *for Don McCasland*, Steve Verett, John Johnson *for Wally Darnielle*, Mark Williams, Matt Huie, Mitchell Harris; Guest/Advisors: David Gibson, Robbie Blount, Karin Kuykendall, Josh Winegarner, Rachel Meyers, Larry Combest, Tom Sell, Koby Reed, and Shawn Wade

SWCA President Mark Williams brought the meeting to order 3:00 p.m. Following introductions Williams asked Tom Sell to discuss the status of the farm bill debate.

### **Item I. Legislative Report**

Tom Sell then presented a legislative report regarding activities in Washington and the development of the 2007 farm bill. Sell began by noting that it appears the best-case scenario in the Senate is to get the bill debated and passed within the two weeks left before the Thanksgiving recess. He noted that the final product from the Senate Ag Committee is a good base to start from, in that it allows the bill to be presented as containing significant reforms while extending current safety net provisions. He noted that overall the bill is mostly positive, but that it does contain some noxious aspects that should be able to be taken care of during the conference with the House. Sell then asked the Board to consider supporting two letters to be sent to members of the Senate prior to the start of the floor debate. He noted that the first letter is focused on encouraging Senators to support the Ag Committee passed bill as presented. Sell said the second letter was a request to Senators support the inclusion of the \$5.1 billion identified by the Senate Finance Committee and set aside for the creation of a disaster trust fund and to oppose any efforts to redirect this money to other uses. After considerable discussion it was generally agreed that the SWCA should sign on to support the two letters. During the discussion, Ross Wilson pointed out that his industry has significant problems with the Livestock Title of the Senate bill. He said that he would not oppose the SWCA signing onto the letter encouraging support of the Senate-passed bill, but asked that references to ranchers and the livestock industry be left out when discussing SWCA support for provisions other than the Livestock Title. Williams thanked the Board for their discussion of the issues and noted that it was the consensus of the Board that the SWCA become signatories on both letters taking into account the issues that remain unresolved within the Livestock Title.

Sell then discussed a number of potential amendments expected to be offered and ultimately debated on the Senate floor. During his report on the amendments Sell highlighted the following:

Lugar/Lautenberg - He explained that an amendment to be offered by Senators Lugar and Lautenberg is very similar to the Kind-Flake Amendment that was defeated in the House.

Average Crop Revenue – Sell explained that the Average Crop Revenue provisions of the bill were expected to be a new focus for amendments. He noted that agreements that are being worked out within the leadership could limit the number of amendments offered in this area.

Brown Crop Insurance Amendment – Sell noted that this extremely harmful amendment was of particular concern, since it would do great damage to the current federal crop insurance program. He explained that a similar amendment was offered in the House and defeated.

Dorgan/Grassley Amendment – Sell noted that another attempt by Senators Dorgan and Grassley to make significant changes to the payment limit rules is expected, despite the significant reforms that were put in the Senate bill in this area.

Livestock/Competition Issues – Sell noted that Ross Wilson's earlier discussion on this section of the bill covered much of the information. He reiterated the fact that the current title includes packer ownership provisions that would adversely impact many vertically integrated operations. He added that other potential issues that would be the focus of amendments include changes relative fairness, pricing, and contracting. He explained that the livestock industry is going to try and beat back these items if offered as amendments and then focus on addressing the rest of them during conference. He noted that the livestock industry has a lot of work to do

### **Item II. SWCA Board Meeting**

Williams then asked the Board if they would be agreeable to a meeting in Amarillo on November 28 following the Texas Commodity Symposium to discuss the latest developments on the Farm Bill and to work on the first SWCA Annual Meeting, which would be discussed next on the agenda. Hearing no objections Williams then asked what arrangements

needed to be made. Rachel Myers offered to check with the Amarillo Civic Center about a room for the SWCA Board to meet in following the Texas Commodity Symposium. She noted that if nothing could be found at the Civic Center, the SWCA was welcome to use the Texas Wheat Office Board room for their meeting. Williams thanked Myers and then asked what items needed to be discussed at the meeting. Preliminary agenda items identified included finance and membership reports, finalizing Annual Meeting dates and arrangements and a legislative update. During discussion it was noted that even though it was possible that the meeting could conflict with the start of Conference Committee deliberations, there did not seem another time that was likely to be any better and travel to Amarillo was not viewed as being a problem.

**Item III. Annual meeting Discussion**

Williams than asked the Board to discuss holding a SWCA Annual Meeting as required by the by-laws. Dee Vaughan offered that every effort needed to be made to avoid conflicts with national organizational meetings that are held early in the year. Vaughan added that in addition to the date, the Board also needed to discuss a location for the meeting and begin identifying potential speakers. Steve Verett noted that cotton meetings on the books are in early January and early February. He suggested looking at a date in late-January 2008. Vaughan noted that corn meetings are in February/March timeframe and a late-January would work well for them. After further discussion, Verett suggested the week of January 21 focusing on a Friday meeting to enhance chances for participation from a Washington speaker. It was noted that Friday, January 25 appeared to be the optimal day with Monday, January 21 or Monday, January 28 also being possibilities. It was agreed that initial contacts with potential speakers be started and that the dates of January 25, 21 or 28 be considered.

**Item IV. Other Business**

Staples Fundraiser – Josh Winegarner explained that since House Ag Committee Chairman Peterson was not going to be coming to Amarillo, the idea of doing a fundraiser for TDA Commissioner Todd Staples was still being considered. He explained that since the Commissioner was going to be in Amarillo for an event November 27 and to speak to the Texas Commodity Symposium on November 28 that a morning event on November 28 appeared to be the best option. He further explained that participation levels being discussed were \$100, \$250, and \$500 for individuals and \$1,000 for PAC's. Further discussion noted that once the event was finalized information could be distributed to potential participants.

Board Vacancy – Koby Reed noted that one item of business that the Board needs to address at their next meeting or at the Annual Meeting is the Board vacancy created by the departure of the Southwest Association from the SWCA membership roll. He explained that the Board position held by Tag Webb on behalf of the Southwest Association is currently vacant and a replacement needed to be named. After further discussion it was noted that one possible replacement would be Bryan Daniel at Ag Workers Mutual Insurance, whose organization had recently become new SWCA members.

There being no further business the meeting adjourned at 4:10 p.m.

Respectfully submitted,



Shawn Wade,  
Recording Secretary