

FARM PRODUCE INSURANCE AUTHORITY BOARD MEETING

December 15, 2021, Board Meeting Minutes

GreenStone Farm Credit Services

3515 West Street, East Lansing, MI 48823

Microsoft Teams

MEMBERS PRESENT: Jason Haag, Stephen Ewald, Gerald Heck, James Howe (virtually), Nichole Wilcox, Mark Kies, William Wilson, Rita Herford, and Terry Page

MEMBERS ABSENT: Gary McDowell

PRESENT FOR MDARD: Jamie Zmitko-Somers, Agriculture Development Division Director; Jeff Haarer, FPIA Administrator/Producer Security Services Section Manager; Dominic Perrone, Regulation Officer; David Hall, Auditor; Denise Studders, Auditor (virtually); and Johnathon Schweda, Administrative Technician/Moderator

GUESTS: Tony Essenmacher, Comerica Bank; Steve Hinkle, Comerica Bank; Paul Zajciw, Comerica Bank; and Theresa Sisung, Michigan Farm Bureau

Call to Order, Roll Call, and Approval of Agenda and Prior Minutes – Mark Kies

Mr. Kies called the meeting to order at 9:02am and asked for introductions. Mr. Heck motioned to accept the agenda without edit; Mr. Ewald seconded and the motion passed unanimously. Mr. Ewald motioned to accept the previous minutes without edit; Mr. Wilson seconded and the motion passed unanimously.

Comerica Report – Paul Zajciw, Steve Hinkle, and Tony Essenmacher

- **Investment Fund** – Mr. Zajciw reviewed the Board’s investments and explained the investment fund is doing well. He discussed the breakdown of the investment report in detail. He went on to answer the Board’s questions.
- **Banking and Sweep Account** – Mr. Hinkle reviewed his role in providing account services to the FPIA. Mr. Essenmacher reviewed the FPIA’s \$1 million line of credit and asked some questions of the Board regarding future orders of equipment, parts, and agricultural inputs.

Michigan Farm Bureau (MFB) Report – Theresa Sisung

Ms. Sisung reviewed MFB’s State Annual Conference and discussed the success of the hybrid arrangement (both in-person and virtual attendance), noting the MFB may add this option to their permanent rotation. She also stated there were less policy submissions at the conference than in previous years and of the submissions there were not any large policy changes. She informed the Board that Andy Hagenow, MFB’s Vice-President, is not re-running for the MFB Board and Paul Pridgeon, from Branch County, is the new at-large board member. Mike DeRuitter was elected as the new MFB Vice-President.

The Board discussed agricultural policy on solar panels and related green energy projects.

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Administrator's Report – Jeff Haarer

- **Financial Report** – Mr. Haarer reviewed the balance sheet, with total liabilities and equity at \$10,841,771.95, and the Profit and Loss statement. Mr. Haarer explained the status of the Program and the distribution of expenses.

Mrs. Herford motioned to accept the financial report as presented; Mr. Willson seconded and the motion passed unanimously.

- **Grain Dealer Status / Risk Analysis, Priorities, and Audit Review Process** – Mr. Haarer reviewed the grain dealers' statuses and noted upcoming licensee mergers and potential closures. Mr. Haarer and Mr. Perrone answered questions from the Board.

Mr. Haarer provided a high-level review of the current insolvency the Producer Security Program is overseeing. The Board discussed licensing fees and bonding requirements within the Grain Dealers Program.

- **Administrative Assessment Status and Process** – Mr. Haarer reviewed the aggregate totals of program assessments collected by year.
- **Board Term Update** – Mr. Haarer reviewed the expiration dates for current board members. Six member seats are up for renewal in June 2022; Mr. Ewald, Mr. Haag, Mrs. Herford, Mr. Howe, Mr. Kies, and Mrs. Wilcox. Mr. Haarer asked those members for letters of support if interested in staying on the FPIA Board for the next term.
- **Office of the Auditor General Performance Survey** – Mr. Haarer stated the FPIA Program has completed its audit, completed by the Office of the Auditor General, and the final report will be released in January 2022.

Old Business – Jeff Haarer

- **FPIA Director & Officer Liability Insurance** – Mr. Haarer opened the conversation on the FPIA Board's current liability insurance. The Board discussed the need for this insurance and asked Mr. Haarer to research alternative insurance options.

New Business – Mark Kies & Jeff Haarer

- **Next Board Meeting** – Mr. Schweda proposed to reconvene on June 15, 2022 at 9:00am. Mr. Haarer recommended meeting at the MI Corn Growers Association. The Board agreed to the meeting date.

Public Comment

No members of the public were present for comment.

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Adjournment

A motion was made by Mr. Haag and supported by Mr. Wilson to adjourn the meeting. The motion passed by unanimous vote and the meeting adjourned at 11:56 am.