

FARM PRODUCE INSURANCE AUTHORITY BOARD MEETING

June 10, 2025, Board Meeting Minutes

Star of the West Milling

121 E. Tuscola St

Frankenmuth, Michigan

Microsoft Teams

MEMBERS PRESENT:	Stephen Ewald, Jason Haag, Gerald Heck, Rita Herford, Jim Howe, Mark Kies, Terry Page, Daniel Keenan
MEMBERS ABSENT:	Dr. Tim Boring, Nichole Wilcox
PRESENT FOR MDARD:	Stevie Glaspie, Division Director; Denise Studders, FPIA Administrator; Jeff Haarer, Commodity Section Manager; Dominic Perrone, Regulation Officer; David Hall, Auditor; Evan Starke, Auditor; Madison Essex, Producer Security Assistant
GUESTS:	Teresa Sisung, Michigan Farm Bureau; Doug Barcy, PNC; David Reid, PNC; Nathan Willi, PNC; Dylan Feringa, Gregory Soule, AHP; Chas Bruske, AHP (virtual)

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

Mark Kies called the meeting to order at 9:02 am and asked for introductions and updates. Gerald Heck motioned to accept the agenda without edit; Jason Haag seconded, and the motion passed unanimously. Jason Haag made a motion to approve the previous minutes, and this was supported by Stephen Ewald. The motion passed unanimously.

Public Comment on Agenda

No public comment on the agenda.

PNC Report –

Investments – Nathan Willi, David Reid, Dylan Feringa

Nathan Willi of PNC Bank provided a high-level update on the investment portfolio, highlighting its current positioning and recent performance. The portfolio remains well-diversified, with a strong emphasis on fixed income for capital preservation and liquidity, complemented by equities to grow the asset base and surplus. Willi noted that the first four months of the year were marked by economic volatility driven by policy developments and global events but emphasized the importance of maintaining a long-term investment strategy. He discussed stable job growth, low unemployment, and continued consumer spending—primarily among higher-income brackets. Rising long-term yields, particularly on 10- and 30-year Treasuries, were identified as a key market risk, especially if investor confidence in U.S. government debt weakens. Overall, the portfolio's high quality and liquidity provide flexibility to capitalize on market opportunities during volatility, supporting its long-term resilience.

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Borrowing Resolution – Doug Barcy

Doug Barcy provided an update on the final stages of securing a \$1 million line of credit from PNC Bank, intended as a backup funding source for the Authority in the event of claims or emergencies. He explained that the resolution authorizing the borrowing requires signatures from at least five board members, and it designates either Jeff Haarer or Denise Studders to sign on behalf of the organization. While the line of credit has not been drawn on in the past, it remains available as a precautionary measure. A motion was made by Gerald Heck and seconded by Terry Page to formalize the required resolutions and incumbency certificate to keep the line active and compliant. The motion passed unanimously.

CPA Report –

Greg Soule, the CPA and audit partner, presented the final audit report for the Michigan Farm Produce Insurance Authority's first audit, which was conducted under government auditing standards. He confirmed a clean, unmodified opinion, indicating that the financial statements fairly represent the Authority's financial activity, with no material weaknesses or internal control issues identified. The total net position as of December 31, 2024, was \$9.9 million, including \$1.1 million in cash and \$8.6 million in investments, with an annual increase of \$370,000. Revenues saw a slight decline in assessments but a gain in investment income, while expenses remained steady, and no claims were paid. Upcoming accounting standards will affect reporting formats but not day-to-day operations. Soule praised the efficiency of the audit process and the cooperation of staff, specifically acknowledging Chas Bruske, the audit manager, for his contributions.

MDARD Report – Stevie Glaspie

Mrs. Glaspie shared an update on behalf of Dr. Tim Boring. She specified that MDARD's daily priority is making sure the system works well, as efficient and effective government is important for Michigan's agricultural industry.

Michigan Farm Bureau Industry Status Report – Theresa Sisung

Theresa Sisung provided updates on current activities, including the start of commodity advisory committee meetings running through mid-August, district development sessions, and preparations for county and state annual meetings. Two new staff have joined the Public Policy team: Josh Scramlin (environmental focus) and Jacob Smith (national lobbyist with a labor policy background). USDA assistance programs like ECP and specialty crop payments are ongoing, with some claim disputes noted; additional relief programs are expected this summer for uninsured or underinsured losses, including maple syrup storm damage. A confined space safety outreach event will be held June 23–26 in four locations, aimed at first responders and farmers. Questions continue around the delayed Farm Bill and new USDA national reporting practices requiring extra steps to access Michigan-specific crop data.

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Administrator's Report – Denise Studders

- **Financial Report** – Mrs. Studders indicated that she was able to reconcile through May 31st, 2025. Reviewing the Balance Sheet Comparison and Profit and Loss Comparison reports, the fund balance is up approximately \$541,000 from the prior year, noting the increase is due to investment and assessment income, as well as no claim payouts.
- **Administrative Assessment Status** – Mrs. Studders created a grain price comparison sheet, noting that assessment dollars collected are lower this year due to grain prices. The graphs showed assessments collected from 2018 through 2024 are consistent with the fluctuating grain prices, which is to be expected.
- **Grain Dealer Status** – Mrs. Studders provided an overview of the current grain dealers' statuses, indicating no concerns at this time, as well as reminding the Board the importance of verifying if facilities are licensed by showing them the new interactive website MDARD has created to confirm information in real-time.
- **QuickBooks** – Mrs. Studders noted Jeff Haarer, Marissa Oakley, and herself each have licenses to access QuickBooks which is where Board financials are handled in-house. She did indicate of slight issues within QuickBooks, which is worth noting in case the program may need to be reevaluated in the future.
- **Safety Challenge Coin** – Dominic Perrone covered information related to the grain safety challenge coins developed with MABA to distribute. He indicated that the coins are a positive reinforcement to keep safety at the forefront and to recognize safety being displayed at grain facilities.
- **AGRO** – Mrs. Studders had a brief overview of the conference and the positions held by herself (advisory member), David (committee member), and Dominic (board member). Michigan is hosting the AGRO conference in Grand Rapids in 2026.
- **Board Term Update** – The Board received an appointment of Daniel Keenan and welcomed him to the Board. There are six Board members up for reappointment: Stephen Ewald, Jason Haag, Rita Hereford, Mark Kies, Jim Howe, and Nichole Wilcox. Stephen, Jim Jason, and Nichole have all expressed interest in remaining on the Board.

Old Business – Denise Studders

- **Approval of MOU Allocation** – Mrs. Studders provided a brief overview of the MOU agreement, as well as covering the FPIA budget. Stephen Ewald made a motion to approve the MOU as presented, and Rita Herford seconded. The motion passed unanimously.

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Gerald Heck made a motion to approve to approve the budget with the \$420,000 allocation, Rita Herford seconded. The motion passed unanimously.

- **Election of Officers –**

- Stephen Ewald made a motion to nominate Nichole Wilcox to maintain her treasurer position. Rita Herford seconded. The motion passed unanimously.
- Stephen Ewald made a motion to nominate Jason Haag for first vice chair. Gerald Heck seconded. The motion passed unanimously.
- Rita Herford made a motion to nominate Gerlad Heck for second vice chair. Jason Haag seconded the motion. The motion passed unanimously.

New Business – Denise Studders

- **Next Board Meeting** –December 16th, 2025, at Michigan Farm Bureau in Lansing, Michigan.

Public Comment

No members of the public were present for comment.

Adjournment

A motion was made by Jason Haag and supported by Rita Herford to adjourn the meeting. The motion passed by unanimous vote and the meeting adjourned at 10:45 am.