

## **FINAL MINUTES**

Virginia Soybean Board  
Richmond, Virginia  
December 14, 2016

**Call to Order** – Chairman Giese called the meeting to order at 2:16 p.m. He thanked the group for their service to the Virginia Soybean Industry and for taking time out of their busy schedules to attend the meeting.

### **Board Members Present**

Craig H. Giese, ***Chairman***  
Linda V. Smith, ***Vice Chairman***  
L. Bruce Holland  
Bill Nelson  
Robert White

Tom Taliaferro  
Susan Watkins  
Colin Whittington  
Phil Hickman, Program Director

### **Board Members Absent**

Harrison A. Moody  
Ray Keating  
Ronnie Russell

### **Guests**

Shannon T. Ellis - Executive Director, Virginia Soybean Association  
Gayle Terry - Communications Director, Virginia Soybean Association  
Cameron Gibson – United Soybean Board Director  
David Holshouser – Virginia Soybean Specialist, Virginia Tech  
N. Wayne Hudson – VP of Soy Crushing/Refining-Perdue Agribusiness

**Reading and Approval of Minutes** – Robert White moved and Bruce Holland seconded a motion for the Board to dispense with the reading of the August 11, 2016 minutes and to approve them as presented. Motion passed.

**Financial Report** – Phil Hickman presented the financial report that reflected revenues and expenditures from 7/1/16 – 12/10/16. The Financial Report showed that on December 10<sup>th</sup> there was a total balance of \$1,653,540.20 which included \$4,205.15 in interest; the Board had expended \$334,796.22 with \$435,876.14 outstanding for FY 2016-17 projects; \$400,000 in general reserve; and \$482,876.84 available for allocation. Linda Smith moved and Robert White seconded a motion to accept the financial report as presented. Motion passed.

**Area Reports** – Each member reported on the 2016 soybean crop conditions and outcome in their respective area of the Commonwealth. Board members reported that the 2016 soybean crop ran the gamut with some areas harvesting a crop that was below average while others enjoyed a fairly good crop.

**Project Management Portal** – The Board discussed the implementation of the new project management portal for the March 2017 funding meeting. The Board decided that it would accept paper copies of proposals in March if someone had some unforeseen circumstances in submitting a proposal and Craig Giese and Phil Hickman would work out any problems that may arise with project leaders who want to submit a hardcopy proposal.

**Research Report** - David Holshouser reported on his 2016 activities as Virginia's Soybean Specialist and activities at Virginia Tech. Some of the topics discussed were the summarization of the preliminary 2016 Virginia Soybean Performance Test Results, Mid-Atlantic Double Crop Soybean Network 2016 and Yield Response to Earlier Relative Maturity Varieties, the Mid-Atlantic Double Crop Initiative for 2017, and the loss of the USB funding for the Mid-Atlantic Double Crop Soybean Project.

**Xtend & Enlist Cropping Systems** – Dr. Charlie Cahoon from the Eastern Shore Agricultural Research & Extension Center provided an update on status of the Xtend and Enlist Cropping Systems.

**Virginia Soybean Association Report** - Shannon Ellis provided an Executive Director's report for the Virginia Soybean Association. Some of the topics covered were a redirected focus on Leadership Growth and Development through the Learning Modules of the National Ag Leader Source Program, Bi Weekly Communication, Activated Committee Structure, Four Participants in the DuPont Young Leader Program, 2017 Soybean Leadership Program College, 2017 Annual Virginia Soybean & Grain Conference, 2017 Virginia Ag Expo, the Children's Museum Exhibit at two locations, Television Station Partnership. Gayle Terry provided a Communications Contractor Activities Report that included a summary of events attended during 2016 and a schedule of events planned for 2017. She reported that the Combine Exhibit has been a great tool to spread the Soybean message and the VSA Board Member participation in the 2016 State Fair Exhibit was way up which created a very positive environment to disseminate the Soybean message.

**Atlantic Soybean Council:** Ellen Davis provided a report on the status of the Atlantic Soybean Council. She reported that Cameron Gibson is the Vice Chairman of the Council, each state is eligible to have two directors sit on the Board, pending Nonprofit Exempt Status, and a February 27-28, 2017 meeting to bring together researchers and producers to identify gaps in research. Cameron Gibson commended Ellen Davis on her efforts to facilitate the development of the organization and recommended that the VSB fund two seats on the Board of the Atlantic Soybean Council. Robert White moved and Linda Smith seconded a motion for the Board to provide \$5,000 to fund two seats on the Atlantic Soybean Council. Motion passed.

**United Soybean Board** – Cameron Gibson thanked the Virginia Soybean Board for giving him the opportunity to represent Virginia on the United Soybean Board. He indicated that he had just returned from the December 10<sup>th</sup> Board meeting where a new slate of officers was elected as well as John Motter from Ohio was elected as Chairman. He reported that the next meeting would be on February 22-23, 2017 at the Charleston Marriott in Charleston, SC. Robert White also thanked the Virginia Soybean Board for giving him the opportunity to represent Virginia on the United Soybean Board. Robert reported that USB collections are significantly down to approximately 80 million dollars but the projected U.S. average yield was bumped up to 52.5 bushels/acre. Chairman Giese thanked both Robert and Cameron for their sincere interest and dedication when representing Virginia at the National Level on the United Soybean Board.

**United Soybean Board Compliance Audit Findings** – Craig Giese reported that the Independent Accountant's Report on Application of Agreed-Upon Procedures was received from the USB. He reported that a conference call was held with the Audit & Evaluation Committee which included Robert White, Phil Hickman and himself to hear the audit findings. Craig indicated that the report presented two findings.

1. VSB should be performing first purchaser audits. This is in addition to the procedures the CPA firm is performing on a quarterly basis when reviewing the LS-46 forms. Additional procedures should include 1) inquiries of first purchasers for any producers that checkoff is not collected from to determine if these producers are organic or they claim to be first purchasers, 2) inquiries on whether first purchasers grow their own beans and how those are accounted for, 3) onsite visits of first purchaser audits even though not every audit has to be in person but some should be and 4) specific testing of net sales price to determine that appropriate deductions were taken before calculating checkoff.
2. VSB board members and Phil Hickman should fill out USB's conflict of interest forms on an annual basis and conflicts should be reviewed by the board of VSB at least annually.

Bruce Holland moved and Bill Nelson seconded the motion for the VSB to address the two items raised by USB and take the necessary action to bring the VSB into compliance with USB and to engage and compensate Joyner, Kirkham, Keel & Robertson, P.C. to perform onsite first purchaser audits, generate reports to the Board/first purchasers, draft penalty letters for the Board and anything else related to completing first purchaser compliance audits and work related to those audits. Motion passed.

**Annual 2016 VSB Work Plan Compliance Contractor Responses:** Phil Hickman provided the Board with the questions that were asked by the Compliance Contractor

regarding two projects that were funded by the VSB during FY 2016-17 and the responses that were provided by the Program Director. The Board asked Phil Hickman to contact the two Project Leaders and ask them to make sure that their 2017-18 projects demonstrate benefit to the soybean industry or at least in the percentage that VSB funds the overall project.

**First Purchaser Compliance** - Phil Hickman presented first purchaser compliance report prepared by Joyner, Kirkham, Keel & Robertson, PC for the quarter that ended June 30, 2016. The report indicated that 33 purchasers had filed reports totaling \$49,725.39; four had filed late reports with penalties paid in the amount of \$40.36.

**Annual Audit** - Phil Hickman distributed the FY 2015-16 Annual Audit that was performed by the accounting firm of Joyner, Kirkham, Keel & Robertson, PC and reported that the United Soybean Board had provided a letter indicating they had received the June 30, 2016 audited financial statements. Robert White moved and Linda Smith seconded a motion for the Board to approve the year ended June 30, 2016 Financial Statement as presented by Joyner, Kirkham, Keel & Robertson, PC. Motion passed.

**Virginia Soybean Board Annual Report** - Phil Hickman presented and distributed the Virginia Soybean Board Annual Report that had been written for fiscal year 2015-16 and indicated that the report had been submitted to the Commissioner of Agriculture's office for posting on the VDACS website. Colin Whittington moved and Bill Nelson seconded a motion for the Board to approve the FY 2015-16 Virginia Soybean Board Annual Report as presented. Motion passed.

**Financial Disclosure Statements** - Phil Hickman made the Board aware of their responsibility to complete the Financial Disclosure Statements. He explained to the group that they should have received an e-mail with instructions for completing the form online.

### **Nomination & Election of Officers For 2017**

#### ***Chair & Vice Chair***

The floor was opened for nominations for Chair and Vice Chair for the year 2017. Robert White nominated Craig Giese to serve as the Chairman and Linda Smith to serve as Vice Chair during the year 2017. Tom Taliaferro seconded the nomination and moved for the nominations to be closed and Craig Giese and Linda Smith are elected by acclamation. Motion passed.

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**Next Meeting** – The Board will hold its next meeting on Thursday & Friday March 9 - 10, 2017.

**Public Comment** – Chairman Giese opened the floor for public comment. There was none.

**Adjournment** – There being no further business, the meeting was adjourned.

Respectfully submitted,

Philip T. Hickman, Secretary

These minutes have been approved as written.

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Craig H. Giese, Chairman