



## Board of Directors | Meeting Minutes

May 19, 2020

*Conference Call*

### **Directors Present**

Jenny Ahlen, Environmental Defense Fund; Chad Bloom, Pheasants Forever; Keira Franz, National Association of Wheat Growers; Michelle French, ADM; Stefani Grant, Unilever; Margaret Henry, PepsiCo; Diane Herndon, Nestle Purina; Brandon Hunnicutt, National Corn Growers Association; Mark Isbell, USA Rice Federation; Gary O'Neill, USDA NRCS; Jeremy Peters, National Association of Conservation Districts; David Stanko, Nutrien; Megan Weidner, Bunge; Jun Zhu, University of Arkansas

### **Staff and Consultants**

Rod Snyder, Field to Market; Betsy Hickman, Field to Market; Allison Thomson, Field to Market; Jamie Richards, Field to Market; Chisara Ehiemere, Field to Market; Ray Stewart, Thomson Coburn; Nancy Johnson, UHY; Simi Olabisi, UHY

### **Motions**

- *A motion was made by Margaret Henry and seconded by Michelle French to approve the consent agenda. Motion passed unanimously.*
- *The Board approved the draft FY 2019 audit report as submitted by UHY via electronic vote, concluded May 22, 2020 with 11 votes Yes and 1 Abstain.*
- *A motion was made by Michelle French and seconded by Megan Weidner to amend and adopt the proposal while striking the 100,000+ acre option for associate and non-members project licensing. Motion passed unanimously.*
- *A motion was made by Margaret Henry and second by Michelle French to approve the amendment to the Process-Based Standard creating Trends Claims and revising Impact Claims with the underlying requirements to be finalized by the Verification Committee in a Claims Guidance document. Motion carried unanimously.*
- *A motion was made by Margaret Henry and seconded by Mark Isbell to allow Field to Market staff to work on a formal MOU with the U.S. Cotton Trust Protocol. Motion carried unanimously.*
- *A motion was made by Michelle French and seconded by Jeremy Peters to adjourn the meeting at 4:03 p.m. Motion carried unanimously.*

### **Next Steps and Action Items**

- *The Board reviewed the draft FY 2019 audit report following the call on May 19 and voted electronically to approve over the course of the week.*

- *The Board approved a new associate member dues category of \$15,000 and project licensing fee structure, limiting associate member and non-member projects to no more than 100,000 acres. The associate dues change will go before the General Assembly in June for final approval.*
- *The Board will review the FY 2020 budget during the June meeting to determine if any mid-year adjustments need to be made.*
- *The Board approved new a Trends Claim within the Process-Based Standard with recommendations to the Verification Committee to finalize the underlying requirements in a Claims Guidance document to be released in June 2020.*
- *Approved the development of a formal MOU with U.S. Cotton Trust Protocol to define and publicly communicate relationship between the two programs.*
- *Convene a subgroup of joint ESMC and FTM members to talk through priority objectives of alignment and discuss the potential pilot projects. Margaret Henry, Michelle French, Diane Herndon, Jeremy Peters, Megan Weidner, Jenny Ahlen, Dave Stanko and Chad Bloom will participate.*
- *Convene a group of overlapping members of FTM and SAI to solicit feedback on alignment priorities, as well as inform any revisions to the existing MOU.*
- *Establish a Board subgroup to look at possible feedback for USDA on their Ag Innovation Agenda. Mark Isbell, Brandon Hunnicutt and Megan Weidner will participate.*
- *Hold a listening session to solicit member feedback on a collective response from Field to Market to the USDA Ag Innovation challenge.*
- *Consider recommendations and nominations for the Technology Advisory Council with Board appointments for a new two-year term to occur during the June Board meeting.*

## Proceedings

### Opening

Board Chair, Brandon Hunnicutt called the meeting to order at 1:00 p.m. Jamie Richards called roll and Ray Stewart read the Antitrust Statement. Rod Snyder reviewed old business from the January Board meeting.

### Consent Agenda

The consent agenda included review and approval of the meeting minutes from January as well as the summary of electronic votes in March and April; review and approval of one new membership application.

- Calyxt (Agribusiness, Full)

*A motion was made by Margaret Henry and seconded by Michelle French to approve the consent agenda. Motion passed unanimously.*

### Finance and Operations Update

Rod reviewed the March 2020 financials and reported cash on hand of \$822,728 with revenue at \$911,735 and expenses of \$658,243.

He introduced the two summer interns, Agustin Olivo and Emily Bass. He also noted that the Human Resources Assessment from CLA had been completed. A final review of the report and recommendations from CLA will be included on the June Board agenda.

Rod also reviewed staff contingency planning due to COVID 19 as well as the approval of a Payroll Protection Program loan. Field to Market received \$214,520.82 and will work with the accountants at Marcum to apply for full loan forgiveness at the end of the 8 weeks. He noted the challenges for a membership organization during the current pandemic and the financial uncertainty that exists for FY 2020 and 2021. The PPP loan will be used to cover payroll and benefits, as well as rent and utilities for the months of May and June.

Also impacted by the pandemic are the in-person events previously scheduled for June and July. Rod reviewed the change to remote participation for the June Plenary, Cross-Sector Dialogue and Continuous Improvement Accelerator Academy. The Board discussed making budgetary adjustments to enhance technological capabilities for these remote events. Rod noted that fundraising and sponsorship revenue would also be lower than projected without in-person events.

### **Review and Approval of FY 2019 Audit**

Nancy Johnson, Principal with UHY, LLC presented the draft audit report to the Board. Field to Market received a clean, unmodified audit opinion. Nancy also discussed the change in grant receivables in 2019. The Walton grant had previously been recognized fully in 2019, but UHY found that it was a contingent grant, so the second half of funding should be recognized in 2020. Nancy also reviewed Stakeholder Convening as a new program, depreciation accounts and upcoming accounting standards for lease offsetting liabilities. Next steps for the audit include formalizing the Form 990 and following approval by the board to finalize the audit report.

The Board asked for additional time to review the draft audit reports and vote electronically on approval. *The Board approved the draft FY 2019 audit report as submitted by UHY via electronic vote, concluded May 22, 2020 with 11 votes Yes and 1 Abstain.*

### **Discussion of Associate Member Dues and License Fee Structure**

Rod reviewed the prior discussions about license fees and associate member dues and thanked the subcommittee for its work on the issue. The following proposal was submitted:

- Add an additional tier of dues for Associate members of \$15,000 annually for companies with revenue over \$1 billion.
- Project licensing would include claims and access to data from the Fieldprint Platform, as well as certain amount of staff support hours. Additional staff support would be charged hourly.
- Project licensing would be based on acreage of projects
  - 100,000+ acres: \$5,000 (Associate members), \$10,000 (non-members)
  - 50-100k acres: \$3,500 (Associate members), \$7,000 (non-members)
  - 10,001-50k acres: \$2,500 (Associate members), \$5,000 (non-members)
  - <10,000 acres: \$1,000 (Associate members), \$2,000 (non-members)

The Board discussed the proposal and the incentives for companies to join or remain as full members.

*A motion was made by Michelle French and seconded by Megan Weidner to amend and adopt the proposal while striking the 100,000+ acre option for associate and non-members project licensing. Motion passed unanimously.*

Rod noted that the dues change would be brought before the General Assembly for approval in June and information would be included in the Plenary Packets and on the Sector calls before the meeting.

### **Strategic Plan Implementation: Dashboard of Key Measures of Success**

Rod reviewed an update of the strategic plan dashboard and progress toward 2021 targets.

The Board discussed the status of each goal and asked for additional data around projects including the number of projects in each pathway and the number of members currently engaged in projects. The Board also discussed ways to increase Field to Market's media presence in a year dominated by COVID-19 news coverage.

### **Proposed Revision to the Process-Based Standard**

Chisara Ehiemere presented the recommended changes to the Process-Based Standard as developed by the Verification Committee. This included one new claims category and changes to Impact Claims:

- **Trends Claim:** A claim that documents directional improvements or reductions in Field to Market's outcomes-based metrics during the initial years of a project.
- **Impact Claim:** A claim that quantifies actual sustained improvements or reductions over time against Field to Market's outcomes-based metrics at the conclusion of a multi-year project.

She noted that these changes allow Continuous Improvement Projects to show directional improvement within a reduced timeframe without confusing these interim trends with sustained improvements over time (Impact Claims) and allows Field to Market to limit the requirement of third-party verification to Impact Claims.

The Board discussed potential concerns about projects not moving forward on pathways while making trends claims and whether Trends Claims can be first-party verified or if Field to Market staff should act as second-party verifiers for this category. The Verification Committee asked the Board for approval to changes in the Process-Based Standard while allowing the committee to continue to work on the details in a Claims Guidance document.

*A motion was made by Margaret Henry and second by Michelle French to approve the amendment to the Process-Based Standard creating Trends Claims and revising Impact Claims with the underlying requirements to be finalized by the Verification Committee in a Claims Guidance document. Motion carried unanimously.*

### **Update on Soil Carbon Metric Development**

Allison Thomson provided an update on ongoing development of a revised soil carbon metric. She reviewed the overall process and noted that 2020 would be focused on fundraising. She also discussed the phased implementation and overall strategy for development. Phase one would include building a metric based on the completed OptIS-DNDC work in the corn belt and would take about 8-12 months. Phase two would extend the metric to all US regions.

The Board discussed the overall development and funding options for Field to Market, as well as the relevance to current members and projects.

### **Update on Accelerator Projects**

Betsy Hickman reviewed the 2019 project statistics as well as current and prospective projects. At the time of the Board meeting, there were four projects that had not yet submitted their annual reports. There are currently 52 Continuous Improvement Projects registered in the Accelerator and 10 prospective projects. In 2019 the projects covered an estimated 3.7 million enrolled acres with more than 3,300 growers.

Betsy also updated the Board on the final improvements and enhancements to the Project Directory and Partnership Exchange. She noted that there were future enhancements to both currently underway with the web development firm.

Betsy also reviewed the updated agenda for the Continuous Improvement Accelerator Academy, as it was moved to a virtual event. The Academy will cover 10 hours of live content over 4 sessions during 2 weeks at the end of July. She noted that registration would be available soon.

### **Key Harmonization and Alignment Updates**

- U.S. Cotton Trust Protocol - Rod discussed the ongoing work with the U.S. Cotton Trust Protocol and how Field to Market's metrics will be a component of the Protocol's requirements. He asked the Board for approval to pursue a formal MOU with USCTP to more clearly define and publicly communicate the relationship between the two programs.

*A motion was made by Margaret Henry and seconded by Mark Isbell to allow Field to Market staff to work on a formal MOU with the U.S. Cotton Trust Protocol. Motion carried unanimously.*

- Ecosystem Services Market Consortium - Rod noted the reciprocal membership between Field to Market and ESMC, as well as the common members between both organizations. He focused on the importance to maximize synergies and avoid redundancies between the programs, as well as the opportunity to do some pilot projects with joint members. The Board discussed the opportunities to reinforce that message and formed a subgroup of joint or interested members to develop the idea further. The subgroup members are Jeremy Peters, Margaret Henry, Michelle French, Diane Herndon, Megan Weidner, Jenny Ahlen, Dave Stanko and Chad Bloom.
- SAI Platform - Rod updated the Board on the FSA equivalency module that was piloted in 2019, although we have seen limited demand outside of those two examples. He informed the Board that SAI has suggested revising the MOU from 2017 to clarify the relationship between the organizations. Field to Market will convene a group of joint members to gather feedback on priorities and then will work on a revised draft of the MOU.

### **USDA Agriculture Innovation Agenda**

USDA recently launched their Ag Innovation Agenda with a goal of increasing agricultural production by 40 percent by 2050 while cutting the environmental footprint of U.S. agriculture in half. USDA has requested stakeholder feedback through August 1. Input from the agricultural and scientific community will help inform research goals with the intent of aligning applications and technologies to best address the goals of the Agriculture Innovation Agenda for the next 10 to 30 years. Rod noted that Field to Market should consider an opportunity to submit aligned member feedback to shape USDA's Ag Innovation Agenda. The Board formed a subgroup to oversee this process with Brandon Hunnicutt, Mark Isbell and Megan Weidner volunteering to help shape Field to Market's response. A member listening session to solicit feedback will also be scheduled for the summer.

### **Discussion of Technology Advisory Council Appointments**

Rod reported on the efforts to create distinct roles between the QDMP Network and the Technology Advisory Council and noted there were some vacancies on the TAC. He asked Board members to submit any suggested nominations or recommendations to staff by June 5<sup>th</sup>. Final nominations will be submitted to the Board of approval during the June meeting.

### **Farmer Livelihoods**

Rod updated the Board on plans for the publication of a socioeconomic trends report. American Farm Bureau Federation and National Farmers Union have indicated tentative interest in being partners on

the report. Rod also mentioned the possibility of hiring an outside economist to assist in drafting the report. A new timeline for publication is the fall of 2020.

**Review Upcoming Meetings/Events**

Rod reviewed the draft 2020 meetings calendar and noted the virtual events and those events currently planned for in-person, He noted that a survey would be sent out to past attendees of the Sustainable Ag Summit to gather feedback on preferences for an in-person or virtual summit this year. Any change to the current meeting structure might also affect the November Field to Market Plenary and General Assembly.

*A motion was made by Michelle French and seconded by Jeremy Peters to adjourn the meeting at 4:03 p.m. Motion carried unanimously.*