

Operating Procedures for OFARM

Preamble

We believe that organic agriculture must be disciplined in marketing, management and inventory. We further believe that the general management practices commonly in use by Certified Organic Producers provide a viable and healthy alternative for our American food and fiber production system while simultaneously enhancing environmental considerations sustainable through generations of annual production cycles.

We recognize that, in order to maintain this sustainable management system of production, the raw food products produced must move into the food system at a value and volume that is commensurate with the producer investments required to establish and maintain a viable production unit, including a reasonable return for labor and management. We further recognize that this value must reflect the costs inherent in maintaining the social and environmental infrastructures of our total food production system for succeeding generations.

This resolve, therefore, gives us cause to unite and stand together for economic justice. To this end we pledge to each other cooperation in our efforts to market, manage and inventory the fruits of our labors by defining and maintaining our just share of the wealth in our American food production system. It is our intent to set forth in these Bylaws our purposes for and aims, and objectives of a structure of leadership and service to accomplish our goals.

Article I - General Provisions This shall be a Marketing Agency in Common (hereinafter referred to as the MAC) for Membership Organizations without authority to issue capital stock.

Section 1 - Name The name of this organization shall be OFARM.

Section 2 - Purpose The general purpose of this MAC is stated in this mission statement.

To coordinate efforts of producer marketing groups to benefit and sustain organic producers.

The Members are organized to be a MAC for organic producer organizations, associations, corporations, or other producer membership groups which meet the general qualifications of a producer group under the provisions of the Capper Volstead Act of 1922 and such other qualifications of membership as provided in these Operating Procedures, and under the laws of the State of Iowa.

Section 3 - Aims and Objectives

- A. To strengthen the marketing programs of the Member Organizations
- B. To inventory production and manage organic marketing in a responsible manner
- C. To exchange pricing and marketing information among Member Organizations
- D. To develop and support communications among organic producers
- E. To research, support, and enhance market development
- F. To assist producers and consumers in broadening their knowledge of organic marketing concepts
- G. To promote public policy, research and education in support of sustainable agriculture
- H. Other objectives within the goals and mission of the MAC as determined by the Board of Directors.

Section 4 - Location The address for the principal office of this MAC shall be 2505 Elwood Drive, Ames, Iowa 50010.

Section 5 - Seal The seal of this MAC shall be round with the name of the MAC imprinted thereon.

Section 6 - Rights and Duties of Membership The rights and duties of this MAC and its Member Organizations shall be in accordance with the provisions described in the Membership Agreement and these Operating Procedures and such provisions as may be limited by the laws of the State of Iowa where this organization is headquartered, and the general provisions of the Capper Volstead Act of 1922.

Classes of membership shall be limited to the provisions of membership outlined in these procedures. The Membership Agreement together with these Operating Procedures shall be adopted at the first meeting of the Board of Directors and shall be the governing legislation of the MAC.

Section 7 - Fiscal Year The fiscal year of this MAC shall commence on the 1st day of January and end on the 31st day of December. The annual meeting will be held within 3 months of the end of the fiscal year.

Section 8 - Organizational Authority The highest authority in this MAC shall be the Annual Meeting of the General Membership Delegates. Between the meetings of the General Membership Delegates the highest authority shall be the Board of Directors, and between duly called meetings of the Board of Directors the Executive Board shall be the highest authority. The Executive Director, the officers, and all others who serve in positions of leadership, shall answer first to the control of the Executive Board, subject to Board review, and ultimately to the meeting of the General Membership Delegates in session.

ARTICLE II - MEMBERSHIP

Section 1 - General Membership The General Membership of the MAC shall consist of the Certified Organic Producer Membership of each of the Member Organizations qualifying for membership in the MAC. A Certified Organic Producer Member is defined as a producer who is certified or is in the process of becoming certified as an organic producer by a generally accepted certifying agency in the organic industry of producers and buyers. The MAC shall have the obligation to assure that any of its Member Organizations shall not deny membership to or otherwise discriminate against any Certified Organic Producer because of race, national origin, religion, creed, sex, age, or disability.

Section 2 - Qualification Member Organizations of this MAC shall consist of Capper Volstead qualifying organizations that represent Certified Organic Producers and meet the following criteria for membership.

A. Have a minimum of *10 (ten)* individual Certified Organic Producer Members with current membership status as of the last annual meeting of the Member Organization. Upon first application for membership to the MAC the current membership of a Member Organization may be established at a time other than its last annual meeting.

B. Have paid, as set forth in the Membership Agreement, the annual membership fee to the MAC within the first 30 days of the MAC fiscal year. A partial payment of annual dues by a new Member Organization may be accepted by the MAC Board of Directors based on the part of the fiscal year of the MAC that has passed by quarters.

C. Have provided the MAC with the Name and current Address, including E-mail, phone and Fax number of its Primary Contact Person or Office for official notices of annual or special meetings and such other issues that require notification to the General Membership of the MAC.

D. Shall, for the purpose of establishing the number of qualified Certified Organic Producer Members, provide a current list of the individual membership in the Member Organization giving; name and the name of certifying agency(s) under which member's production is Certified Organic. The MAC shall have the obligation to hold this Membership List in strict confidence and shall not release this information without written consent of the Member Organization.

E. Have elected at its last annual meeting or special meeting of the Member Organization the authorized representatives and alternates to serve on the Board of Directors of the MAC.

F. Have established and is maintaining a marketing program for the Certified Organic Producer Members of the Member Organization either as an organization or by a marketing agreement with another Member Organization of the MAC. A current copy of any such marketing agreement shall be forwarded to the Secretary of the MAC. The Member Organization shall not market, handle, process, store, or deal in the products of nonmembers; and otherwise engage in business with nonmembers to an amount greater in value than such as are handled by the Member Organization for members.

G. Have established and is maintaining a method for reporting to the MAC an inventory of the production of organic products by the producers of the Members Organization. The MAC shall have the obligation to hold this information in strict confidence and shall release this information only within the guidelines as established by these Operating Procedures.

Section 3 - Acceptance of Membership The Board of Directors of the MAC shall have the obligation of determining the qualification of a Membership Organization and shall do so within 90 days of the receipt of

the signed Membership Agreement. When the Board of Directors has determined that a Membership Organization is qualified, the Membership Organization agrees to be bound by the terms of these Operating Procedures and the Membership Agreement. Membership Organizations also agree not to divulge information about the MAC or other Membership Organizations in the MAC to any organization or party who is not a part of the MAC. If a Membership Organization fails to renew its Membership or otherwise leaves the MAC it shall retain no interest either financial or fiduciary in the MAC. If an application for membership or a renewal of membership is determined unqualified by the Board of Directors by simple majority of a quorum of the Board, in session, and due notice has been given to the organization stating the reason(s) for the determination, a Member Organization may appeal the decision to an annual or special meeting of the Operations Committee. Member Organization may re-apply for membership after deficiencies are resolved.

Section 4 - Suspension

A. Suspension of a Membership Organization In the event a Member Organization fails to maintain a current status as described in Section 2 membership is suspended during the time of such failure and automatically terminated if the provisions have not been met 90 days after the beginning of the fiscal year of the MAC. If a Membership Organization enters into litigation against the MAC the membership shall be held in suspension during such litigation. Should such litigation end with a judgement against the Membership Organization the Board of Directors may by 2/3 majority vote choose to terminate such membership for just cause. Breach of confidentiality of information by a Membership Organization shall be just cause for the Board of Directors to consider termination of membership.

B. Suspension of an Officer or Director A Member Organization may file a complaint against an officer or a Member of the Board of Directors by filing them, in writing, with the Secretary of the MAC, requesting the removal of the officer or director in question. Within sixty (60) days of receipt of such petition, at a duly called meeting of the Board of Directors, or at a special meeting called for that purpose, and by 2/3 majority vote of a quorum of Representatives to the Board of Directors present, the MAC may remove the officer or director and fill the vacancy. The officer or director against whom the complaint has been filed shall be informed, by the Secretary of the MAC, in writing, of the charges, not less than thirty days prior to the meeting and shall have the opportunity at the meeting to be heard in person or by counsel and to present witnesses. The person or persons bringing the charges shall have the same opportunity.

C. Arbitration Every effort shall be made to arbitrate and mediate grievances and the parties involved shall attempt to agree to a mutual process of conflict resolution so as to avoid damaging litigation.

Section 5 – Non-transferable Membership Organizational Membership in the MAC is an organizational decision and not a property right and therefore not transferable to any other organization, association, or group.

ARTICLE III - MEETING OF MEMBERS

Section 1 - Annual Meeting The Executive Board shall set a date and place for an annual meeting of General Membership Delegates to be held between the 1st day of January and 30th day of March each year, with the following items of business to be transacted.

- A.** A review of policies that may have been established by the Board of Directors or the Executive Board between annual meetings.
- B.** A review of the Financial Summary, including the Auditors Report and budget reports, of the MAC, to be presented in a closed session for Qualified General Membership.
- C.** A review of the Operating Agreement and Membership Agreement, and consideration of any proposed changes that have been submitted under the provisions of Article VII- Operating Procedures Amendments.
- D.** Shall, with the coordination of the Commodity Coordinating Committees, set aside time for thorough discussion of commodity price objectives that give clear guidance to administration and marketing coordinators within the MAC about product pricing goals that provide adequate remuneration for the efforts and investment of all producers who have membership in the MAC through their Member Organizations.

Section 2 - Special Meetings of the General Membership Delegates Special meetings of the General Membership Delegates of the MAC may be held upon the call of a majority of the Executive Board or the Board of Directors or by the majority decision of the Board of Directors of any two Member Organizations. Any such call and notice of a special meeting shall set forth the purpose for which the meeting is called and the matters to be considered. Such notice shall be given at the direction of the persons calling the meeting to the Member Organizations' current Primary Contact Persons or Office for official notification not less than 60 days before the meeting

Section 3 - Delegate representation The General Membership of the MAC shall be represented at any general membership meeting by the delegates selected in the manner provided for in the Membership Agreement and in these Operating Procedures. The Member Organizations shall be allowed one General Membership Delegate or Alternate for each 10 Certified Organic Producer Members of the Membership Organization or qualifying Regional Marketing Area as set forth in Article IV, Section 3, and not more than a total of 10 delegates. However, at no time shall any one Member Organization be allowed a number of delegates, who would become a majority of the General Membership Delegates allowed. If such situation exists it shall be the obligation of the Member Organization to reapportion its delegate representation to be less than 25% of the total delegates allowed.

Section 4 - Quorum At any duly called meeting of the General Membership Delegates a quorum shall consist of those delegates present at the meeting.

Section 5 - Delegate Voting Privilege There shall be no provision for proxy voting at any meeting of the General Membership Delegates but the voting privileges may be transferred to a duly registered alternate delegate for any and all votes at a meeting of the General Membership Delegates. Representatives of the Member Organizations to the Board of Directors shall not have voting privileges at any meeting of the General Membership Delegates unless they are a delegate for the Member Organization.

Section 6 - General Membership Participation in Meetings Any duly qualified Certified Organic Producer Member of any Member Organization may choose to attend any meeting of the General Membership Delegates and may participate in the discussion of any issue before the meeting but only duly elected or appointed delegates or their alternates may have the privilege of voting on any issue.

ARTICLE IV - BOARD OF DIRECTORS

Section 1 - Qualification for Members of the Board of Directors Any Certified Organic Producer Member of a Member Organization may be elected or appointed to serve on the Board of Directors of the MAC provided that the following requirements are met:

- A. That a portion of member's income be derived from the sale or use of Certified Organic production
- B. That there is clear evidence of participation in the marketing programs of the Member Organization
- C. That the membership status in the Member Organization is current as to payment of membership dues and fees and that and Organic Certification status is current.

Section 2 - The Vice President as Chairman of the Board The Vice President shall serve as the Chairman of the Board and shall preside over all meetings of the Board. The Vice President shall also serve on the Executive Board in the same capacity.

Section 3 - Representation The Board of Directors of the MAC shall consist of representatives from each of the Member Organizations who have reached a minimum membership of 10 qualified Certified Organic Producer Members and may be represented by additional representatives to the Board of Directors when their membership has reached 50. A Member Organization which has Certified Organic Producer Membership in a large geographic territory may establish Regional Marketing Areas and have additional representation on the Board of Directors so long as the regional territory is clearly identified as to its boundaries, the Member Organization can clearly identify and determine the number of its Certified Organic Producer Membership which lies within that region, and the minimum number of Certified

Organic Producer members within the regional marketing area meets the requirement for representation. This option may be exercised only after the membership requirement for the maximum representatives to the Board of Directors has been met. However, at no time shall any one Member Organization be allowed a number of representatives to the Board of Directors that would be in excess of 25% of the total number of representatives allowed to the Board of Directors of the MAC. If such situation exists it shall be the obligation of the Member Organization to reapportion its number of Certified Organic Producer Membership requirements for representation to the Board of Directors to a number less than a majority of the total representatives allowed.

Section 4 - Staggered Terms of Office and Limit of Term When a Member Organization or Regional Marketing Area in a Member Organization qualifies for more than one representative to the Board of Directors they shall provide for staggered terms of office so as to avoid electing all the representatives in any one year. A representative to the Board of Directors may serve a maximum four years in succession.

Section 5 - Duties of the Board of Directors It shall be the obligation of the Board of Directors to provide for the general supervision and control of the business and affairs of the MAC between the annual meetings of the General Membership Delegates and it shall have the power to act on any pertinent issue and set forth policy for the operation of the MAC and shall:

A. At their first duly called meeting, after the annual meeting of the General Membership delegates, elect from its members a President and Vice President for the MAC who shall assume their duties immediately upon election as outlined in these Bylaws. They shall serve a one-year term of office that shall end at the time of the next election following the next annual meeting. The President and Vice president shall be limited to serving not more than four terms. If for any unforeseen circumstance both the President and Vice President are unable to fulfill duties the Board of Directors may appoint a temporary President and Vice President who shall serve until the next regular election.

B. Elect from its representatives an Executive Board consisting of 5 members including the President and Vice President who shall:

1. Provide for the general supervision of the business and affairs of the MAC between duly called meetings of the Board of Directors and shall have the power to act on any pertinent issue and set forth policy for the operation of the MAC subject to review in the next meeting of the Board of Directors.

2. Appoint and employ, with the approval of the Board of Directors, an Executive Director who shall manage the ongoing business and affairs of the MAC within the limitations and obligations of these Procedures and such other policies and provisions as may be enacted by the subordinate bodies within the MAC and approved by the Board of Directors.

3. Provide to the Executive Director a description of the authority, specific duties and obligations in providing for the general supervision over the affairs of the MAC.

C. Appoint from the General Membership of the MAC a Secretary and Treasurer for the MAC and may appoint an assistant to the secretary and treasurer and provide for remuneration for these services. The Board shall require agents and employees entrusted with any of the funds or negotiable instruments to give adequate bond. Such bond, unless adequate cash security is given, shall be furnished by a responsible bonding company and approved by the Board. The cost thereof shall be borne by the MAC. The Board shall approve the depositories for the funds of the MAC and shall designate who shall have signature authority for the disbursements of such funds.

D. Shall appoint an auditing committee of three qualified producer members who shall audit or cause to be audited the financial records of the MAC and report the findings of the audit to the annual meeting of the General Membership Delegates

E. Establish reasonable per diem for individual representatives of the Board when called upon to carry out specific responsibilities other than attendance at duly called meetings. The cost of attendance at the regular business meetings of the Board of Directors shall be borne by the Member Organization they represent except that the board may provide for partial remuneration of expenses incurred in travel to a duly called

meeting of the Board if it results in actual cost well above the average cost of attendance and would become an unfair burden to the Member Organization they represent.

F. Appoint a General Membership Operations Committee of not less than 3 members under the following provisions:

1. Members of the Operations Committee shall meet the same qualifications as representatives to the Board of Directors.
2. The Board may increase the number of members serving on the Operations Committee to provide for more equitable representation of Member Organizations or if a Member Organization or Regional Marketing Area requests that one of their qualifying members serve on the Operations Committee if the committee does not already include one of their members.
3. The Board shall advise the Operations Committee of organizational policy changes which they have initiated to determine if such policy is in keeping with the current Operating Procedures and the Membership Agreement of the MAC or if changes must be made before such policy can take effect.

G. After review by the Operations Committee, the Board of Directors shall review any proposed changes to the Operating Procedures or the Membership Agreement so that the legality of any proposed change might be addressed prior to the proposal for change being presented to the annual meeting of the General Membership Delegates.

H. Appoint a Primary Commodity Coordinating Committee consisting of a minimum of 3 Qualified Producer Members who may appoint sub-committees for, but not limited to, the following categories of Organic products; Field crops, Livestock and Poultry, Dairy, Produce/Perishables. These Marketing Committees shall operate and may be expanded under the general provisions of Article VI. The Board shall review all policies recommended by the various Commodity Coordinating Committees.

Section 6 - Meetings of the Board of Directors The newly elected or reelected representatives to the Board of Directors shall meet immediately following the annual meeting of the General Membership Delegates to determine a tentative schedule of not less than 2 meetings of the Board between annual meetings of the General Membership Delegates.

A. Quorum for Meetings of the Board of Directors At any duly called meeting of the Board of Directors a quorum shall consist of 2/3 of the eligible representatives to the Board of Directors in attendance. Each position may be filled by an alternate representative and be counted for purposes of Quorum. In the event that inclement weather or other unusual circumstances may prevent the attendance of representatives to the meeting of the Board of Directors their attendance by means of teleconference or other electronic communication may be counted and meet the requirements for Quorum. This provision shall not diminish the obligation of each member organization to provide for the attendance of their respective representatives to duly called meetings of the Board of Directors. If a representative to the Board of Directors is not able for any reason to attend a duly called meeting of Board it shall be a personal obligation to inform the Secretary of the MAC and to inform the alternate that they need to attend the meeting.

B. Notice of meetings of the Board of Directors The Secretary of the MAC shall have the responsibility that due notice of a meeting of the Board of Directors shall be given to the representative(s) of each Membership Organization 30 days prior to the meeting giving the time and place of the meeting. The Secretary shall include in the meeting notice the issues that the Executive Board may have taken action on since the last meeting and that will be subject to review and, to the extent which is practical, inform the representatives to the Board of other issues which may come before the meeting.

Section 7 - Decisions by the Board of Directors When operational policy of the MAC which is not provided for in these Bylaws or the Marketing and Membership Agreement is brought before the Board of Directors it will require passage by 2/3 majority of a Quorum of the members at a duly called meeting of the Board of Directors. Other issues that do not affect operational policy will be subject to simple majority vote.

Section 8 - Indemnification and Protection of Officers and Directors The MAC agrees to hold harmless and protect and defend each of the officers, members of the Board of Directors, or any of its agents or employees acting in good faith, against any claims, liabilities, or judgments arising out of any acts done in the execution of their respective duties and functions on behalf of the MAC. The officers, members of the Board of Directors, agents, and employees, shall incur no personal liabilities by virtue of joint capacities as agents of the MAC.

ARTICLE V - OFFICERS OF THE MAC There shall be a President, Vice President, Secretary and Treasurer who shall constitute the general officers of the MAC. All officers and other elected or appointed, positions who may accumulate records of proceedings and business of the MAC shall be obligated to turn over such documents to there elected or appointed successors and are prohibited the use of the information acquired from their respective positions for personal gain or the establishment of a competing business or organization for a period of three years from the end of their tenure of service to the MAC. These policies shall also apply to any and all positions of employment.

Section 1 - President The President shall be elected by and from the Board of Directors as provided in Article IV, Section 5,A and shall assume the following duties:

- A.** Preside over the annual meeting of the General Membership Delegates and may appoint a parliamentarian who may refer to Robert's Rules of Order for the proper conduct of business during and sessions of the General Membership Delegates. The President shall further appoint a balloting committee who shall be responsible for providing ballots to Registered Delegates and counting the results of any election or other matter that may require a ballot vote by the Delegates.
- B.** Attend the meetings of the Board of Directors and the Executive Board and shall have full rights and privileges of a duly elected representative to the Board of Directors and the Executive Board.
- C.** Communicate or cause to be communicated to the Executive Director of the MAC and to the Member Organizations in the MAC the policies and provisions enacted by the Board of Directors, the Executive Board, and the General Membership Delegates.
- D.** Communicate or cause to be communicated the general concerns of the Executive Director, the Member Organizations, and other various committees of the MAC those issues which may require action by the Board of Directors, the Executive Board, the General Membership Delegates, or other officers and committees of the MAC. The President shall make every effort to promote an open line of communication between the various functions within the MAC.
- E.** Shall, along with the Secretary, sign all Membership Agreements and other legal documents.
- F.** Be entitled a per diem of _____ per day plus reimbursement for expenses including travel, lodging, and communication, while serving in the capacity of the office of President.
- G.** May continue to attend, in ex-officio capacity, meetings of the Board of Directors and the Executive Board and shall continue to be entitled to compensation set forth for the office of President for such period of time as deemed appropriate by the Executive Board to provide for a smooth transition of leadership.

Section 2 - Vice President In case of the resignation, absence, or inability of the President to perform his duties the Vice President shall assume the office of President. Upon election by and from the Board of directors as provided in Article IV, Section 5, A the Vice President shall perform the following duties:

- A.** Serve as the presiding officer of the Board of Directors and the Executive Board, in session, and preside over the meetings.
- B.** May be called upon by the President and with the approval of the Board of Directors or the Executive Board to assist in carrying out the duties of the President and be entitled to compensation as provided for the President while serving in this capacity.

Section 3 - Secretary The Secretary shall perform such duties as may be incidental to this office and as the Board of Directors or the Executive Board shall direct and shall:

- A.** Be the custodian of the corporate seal and shall attest with his signature, along with the President when required, and impress with the corporate seal all Membership Agreements and other official documents of the MAC.
- B.** Together with the assistant secretary, when appointed, shall prepare and issue notices of all meetings of the General Membership Delegates, the Board of Directors, the Executive Board, and such other meetings as may be needed and shall attend to the preparation of all minutes of such meetings.
- C.** Have charge and custody of all corporate books, records, and papers.
- D.** With his assistant prepare and file all reports required by law, the Articles of Incorporation, the Membership Agreement, and these Bylaws.
- E.** Shall provide for each Member Organization a copy of the Bylaws and any amendments thereto along with a MAC Policy Manual that shall list all matters of Policy enacted by the General Membership Delegates, Board of Directors, or the Executive Board that have not been included or made a part of the Bylaws.
- F.** Shall provide for a Credentials Committee for the annual or special meetings of the MAC who shall provide for the registration of delegates and alternates to the meeting to assure that all eligible delegates may vote and that any Member Organization shall cast no more votes than allowed.

Section 4 - Treasurer The Treasurer shall have custody of all money, securities, and funds of the MAC, and shall perform all other duties incidental to the office of Treasurer or as may be required by law, these Bylaws, by the Board of Directors or the Executive Board. The Treasurer shall together with an assistant, when appointed:

- A.** Keep or cause to be kept, records of all receipts and disbursements and shall submit reports as may be requested by Board of Directors or the Executive Board.
- B.** Shall cause to be prepared for the annual meeting of the General Membership Delegates a full financial report of funds of the MAC.
- C.** Shall maintain a record of payment of dues and fees assessed to the Member Organizations

ARTICLE VI - Commodity Coordinating Committees Commodity Coordinating Committees shall be established by the Board of Directors as provided in Article IV, Section 5, E, and shall operate and may be enlarged under the following provisions;

Section 1 - Any Member Organization may appoint additional members to the Commodity Coordinating Committees established by the Board of Directors not to exceed the Member Organization's representation allowed for the Board of Directors. Appointments to Commodity Coordinating Committees shall be limited to those commodities actually produced by individual members of the Member Organization.

Section 2 - Qualifications for members of the Commodity Coordinating Committees shall be the same as established for Officers and Representatives to the Board of Directors.

Section 3 - Commodity Coordinating Committees may be appointed for additional sub-divisions of the various commodities i.e. Field Crops may be divided into, but not limited to, Food Grains, Feed Grains, and Oil seeds etc. Other categories of products may be added as the Board of Directors sees the need arise.

Section 4 - Each of these Commodity Coordinating Committees may recommend to the Board of Directors, names of qualified producer members who may be appointed to a Primary Commodity Coordinating Committee of 3 Qualified producer members who shall be a first line of communication within the MAC regarding product pricing guidelines and marketing policy recommendations and other issues related to marketing

and pricing guidelines, inventory of product, and supply management strategies. The Primary Commodity Coordinating Committees shall also provide the communication and coordination link between the various commodities represented by the MAC. Each Commodity Coordinating Committee shall elect its own chairman who shall preside over the meetings and conferences of the committee and shall appoint a secretary who shall record the minutes of the meeting and forward a copy of such minutes to the Secretary of MAC. The Board of Directors shall review all policy recommendations by the committees. It shall be the responsibility of the chairman of the various Commodity Coordinating Committees to assist in communicating the consensus of the committee to the Board of Directors and other committees who may benefit from a summary of the discussions by the committee.

Section 5 - The Commodity Coordinating Committee shall have the obligation of maintaining a line of communication with the General Membership who produces the commodities they represent to insure that the opinions and concerns of the producers will be heard and considered when the Commodity Coordinating Committee recommends strategy and policy. To this end a similar structure of commodity committees shall be encouraged within each of the Member Organizations for commodities their members produce.

Section 6 - It shall be the obligation of the Commodity Coordinating Committee to assist in establishing a system of reliable inventory of Organic Products within the MAC and establish a composite summary of sales by the Organizations within the MAC.

Section 7 - There shall be included in the Annual Meeting Agenda a period of time for input from the General Membership regarding strategy and policy for each of the Commodity Coordinating Committees followed by a Strategy and Policy Planning session where the primary purpose shall be to reach consensus regarding marketing and pricing policy and strategy for the various commodities and to determine opportunities for market development and supply management strategies and policies which may be adopted for the MAC.

ARTICLE VII – AMENDMENTS TO OPERATING PROCEDURES AND OPERATING COMMITTEE

OF THE GENERAL MEMBERSHIP Any 3 qualified Producer Members of a Member Organization within the MAC, or a majority of the Board of Directors of any qualified Member Organization, by signed petition, may present a proposal to amend the Operating Procedures of the MAC by submitting a proposal in writing to the Secretary of the MAC not less than sixty 60 days prior to the Annual Meeting or any special meeting of the General Membership Delegates. The Board of Directors or the Executive Board may also, by simple majority vote, present a proposal to amend the Operating Procedures of the MAC by submitting a proposal in writing to the Secretary of the MAC not less than sixty 60 days prior to the Annual Meeting or any special meeting of the General Membership Delegates. An Operating Committee of the General Membership shall be appointed by the Board of Directors as provided in Article IV, Section 5, E and shall perform their duties under the following provisions.

Section 1 - Chairman and Secretary The Operations Committee shall elect a Chairman from their Committee Membership and appoint a Secretary, who may or may not be a voting member of the committee, who shall record the minutes of all meetings of the committee and forward a copy of such minutes to the Secretary of the MAC for the purpose of review by the Board of Directors.

Section 2 - Obligations The Operations Committee shall have the obligation to review each proposed change to the Operating Procedures and Membership Agreement and make a recommendation to the annual or any special meeting of the General Membership Delegates to consider or not consider the change with a brief summary of their reasons for this decision. However, if any member who qualifies under the provisions for General Membership of the MAC has proposed a change and the Operations Committee has recommended to not consider the change the member may request time at the meeting of the General Membership Delegates to appeal that decision by presenting reasons why the change should be considered and may then make a motion that the proposed change be considered and when duly seconded and carried by simple majority the proposal shall then be open to discussion and action in accordance with the provisions for change of Operating Procedures or the Membership Agreement to the MAC.

Section 3 - Review of MAC Policies The Membership Operations Committee shall review the organizational policy changes that have been initiated by the Board of Directors or the Executive Board before they may be recorded in the MAC Policy Manual. They shall determine if such policy is in keeping with the current

Bylaws, the Membership Agreement and the Articles of Incorporation of the MAC or if changes must be made to provide continuity between organizational policy and these policy documents.

Section 4 – Appeal Process The Operations Committee shall review any written appeal brought before them by an organization that has been denied membership and make a decision as to whether the appropriate decision had been made by the Board of Directors.

Section 5 - Final Authority for Change of Operating Procedures. These Procedures or the Membership Agreement may be altered, amended or repealed by a 2/3 majority vote of the Registered Delegates of the General Membership in session at a duly called meeting.