



## August 2019 Minnesota Grain & Feed Association Newsletter

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### MGFA Fall Grain Grading School - September 18 at Jackpot Junction Casino Hotel

The Minnesota Grain and Feed Association will be hosting a fall grain grading school for those needing to refresh their grading skills or for newly hired employees. This school is conducted by licensed grain inspectors in a practical, hands-on manner. Our fall grain grading school is scheduled for **Wednesday, September 18 at Jackpot Junction Casino & Hotel, Morton**. This school will focus on the grading of corn, soybeans and wheat. The school will start at 9:00 AM and conclude by 2:00 PM with lunch included. Proper use of grading equipment will be demonstrated and each attendee will receive a participation certificate.

Mark your calendars for this opportunity to enhance your employee's training! Space is limited for this school, so we encourage early registration. The cost for the school is \$90/person for MGFA member firms. The non-member charge is \$100/person. The cost includes training materials, training personnel time, breaks and lunch. Click [here](#) for the registration form.

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## **Volunteer Needed – Agriculture Fertilizer Research & Education Council (AFREC) Alternate**

The Agriculture Fertilizer Research & Education Council (AFREC) is a farmer-led program whose purpose is to advance soil fertility research, technology development & education. This legislatively-created body consists of a twelve member council. *The Minnesota Grain and Feed Association has a seat on this council.*

The Council's mission is to fund research and education on agricultural fertility that is environmentally and economically sound. The Minnesota Legislature established the funding mechanism for the program through MDA's fertilizer tonnage fee, which is currently 40 cents per ton of fertilizer sold.

Each year, the MDA announces a Request for Proposals (RFP) for projects using funds generated from fertilizer sales. Though dependent upon the previous year's fertilizer sales, AFREC typically awards over \$1,000,000 annually.

Currently, MGFA's Executive Director attends the AFREC meetings but we are in need of an alternate to serve in place of Laura as needed. Your commitment would involve being available for 3 meetings annually: 2 in the Twin Cities (Jan/Dec) & 1 in outstate MN (summer). An agronomy background is helpful but not necessary. If you are interested in becoming involved, please contact the MGFA office.

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### **MGFA Sustaining Sponsor Spotlight: AgCountry Farm Credit Services**

At AgCountry Farm Credit Services, we work hard to meet the unique financial needs of farmers, ranchers and agribusinesses by providing competitive credit and financial services products with more options, greater flexibility, competitive rates, local decision making and personalized service. We are a member-owned, locally governed lending institution that provides credit and financial services to more than 18,000 farmers and ranchers in eastern North Dakota, western Minnesota and central Wisconsin. We also provide agribusiness loans and leases nationwide.

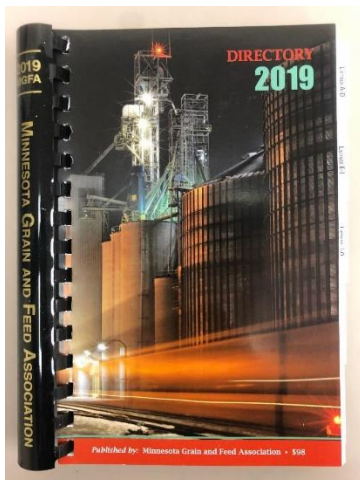


AgCountry is a part of the Farm Credit System, a nationwide network of cooperative financial services institutions that serves rural America. The primary goal of the System is to support rural communities and agriculture with reliable, consistent credit and financial services, today and tomorrow.

***Since 2015, when MGFA created the Sustaining Sponsor Program, the Association has been grateful to AgCountry Farm Credit Services and all of our Annual Sustaining Sponsors for their annual contribution and support of the various programs and services provided by the Association. Thank You!***

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**Need Extra Copies? The 2019 MGFA Directory Is On Sale**



Each year the MGFA prints a directory of licensed elevators and feed mills in Minnesota. Each member receives one complimentary copy of the directory and we print extra copies for anyone who wants to purchase one. The directory lists all of the licensed elevators and feed mills operating in Minnesota and includes pertinent laws, legislative contacts, regulatory information and a lot of great advertising related to the industry. At this time, the 2019 MGFA Directory is on sale at the discounted price of \$45 (regularly \$65). Now would be a great time to pick-up a couple extra copies for branch locations or to replace the one that walked away. Give the MGFA office a call at 651-454-8212 to order your directory.

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## With China Exports Slumping, Governor Walz Announces Trade Trip to Japan and South Korea

Minnesota Gov. Tim Walz has announced that he will travel to Japan and South Korea next month in hopes of bolstering trade alliances there.

The Democratic governor said the move is part of a plan to maintain relationships with the state's trade partners and build new ones in spite of top-level federal trade policy moves that have had a stinging impact in Minnesota.

Japan imported \$1.5 billion in Minnesota goods last year, short of just three other countries: Canada, China and Mexico. Those top-three trade partners bought a combined \$10 billion in Minnesota goods in 2018, according to the state Department of Employment and Economic Development.

But with the ratification of a new trade agreement between the U.S., Mexico and Canada still simmering and a long-term ongoing tit-for-tat trade war with China, two of those top spenders have seen tariffs stifle their spending patterns. Canada imported 3 percent less in the first three months of this year than it did in the year prior, while China took in 13 percent fewer Minnesota goods. Mexico bucked the trend, importing 16 percent more goods from Minnesota than it did a year before.

"Minnesota is committed to unleashing economic opportunities across the globe," Walz said in a statement. "I look forward to traveling to Tokyo and Seoul and making the case directly to international decision-makers that Minnesota is a great place to do business."

Trip highlights include:

- Sept. 7-10, Walz will be in Tokyo at the 51st Midwest U.S. Japan Association Conference along with governors from Illinois, Indiana, Nebraska, Ohio and Wisconsin, as well as Japanese trade officials and business leaders.
- Sept. 11, Walz will travel to Seoul, South Korea, to discuss trade and future economic development opportunities between that nation and Minnesota.

South Korea, the sixth-largest importer of Minnesota goods, brought in \$1 billion in exports from the state last year.

**OTHER STATES MAKING SIMILAR MOVES**

Walz is not alone in pursuing Southeast Asian trade partners that can ease some of the impact of losing access to Chinese markets. South Dakota agriculture officials are set to travel to Vietnam this fall on a trade mission. And U.S. Sen. Kevin Cramer, R-N.D., met earlier this month with a top Japanese trade minister.

And lawmakers from around the Midwest, including a delegation from Minnesota, visited Taiwan last month to encourage additional trade opportunities there.

“We’re trying to make the case that Minnesota is ready to do this, we know that the federal trade policy through the Constitution is with the executive branch and with the president but we have got to continue to make sure that we’re ready to go again,” Walz said earlier this month.

Before those Chinese markets open back up, Minnesota and other Midwestern states could make a play at utilizing existing infrastructure designed to carry farmed goods from Minnesota by rail to ships on the West Coast or down the Mississippi River to ships in New Orleans and then across the ocean to new buyers. Midwestern states spent years and billions of dollars building the pathways to carry goods to China.

#### PERDUE: BALL IN CHINA’S COURT

U.S. Department of Agriculture Secretary Sonny Perdue earlier this month told farmers and agriculture industry officials that the U.S. likely had over-relied on China as a trade partner. China is the world’s top soybean buyer and consumes almost 60 percent of U.S. soybean exports.

Perdue said the ball was in China’s court when it comes to the next move in advancing dialogues about a potential trade deal.

“My goal would be to have China play fair,” Perdue told farmers who packed a barn at Farmfest earlier this month. “They need to change their ways and change their culture instead of trying to build their economy on the backs of cheating.”

That comment and the lack of a clear timeline in ending the trade war didn’t inspire confidence in farmers who said getting access to new markets (or renewed access to old ones) would be a big help as they endure a year of severe weather and low commodity prices.

“They’ve got to compromise somehow and get that done,” said Scott Stemstad who farms corn and soybeans in Starbuck, Minn. “We’re going to lose our export market if we’re not careful.”

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### **Palmer Amaranth Found in Lincoln County, Minnesota**

St. Paul, MN - The Minnesota Department of Agriculture (MDA) has positively identified the invasive weed Palmer amaranth in Lincoln County.

A field had been planted with a cover crop seed that was contaminated with Palmer amaranth. The weed is listed as a Prohibited Weed Seed in Minnesota as well as in Iowa, North Dakota, and Wisconsin. This means no Palmer amaranth is allowed in any seed offered for sale in the state.

The seed company that sold the contaminated seed self-reported this violation to the MDA. While the investigation into the issue continues, the seed company assisted the farmer and applied a herbicide recommended by the University of Minnesota Extension to destroy this infestation.

The MDA Palmer amaranth team will monitor the site for up to three years for any new plants.

Companies that sell seed in Minnesota are required to do genetic testing to look for Palmer amaranth. However, the wet spring and the inability to get intended crops planted led to a demand for other types of seed not typically sold in large quantities in Minnesota.

“Seed was brought into the state and sold prior to all the testing being completed,” said Denise Thiede, MDA’s Seed Unit Supervisor. “It’s fortunate in this case that when the testing was completed, this field had been the only one planted and all other seed could be removed from the marketplace.”

Now is the time when Palmer amaranth becomes visible in agricultural fields. The MDA is asking farmers, crop consultants, and agronomists to report any suspicious plants to the [Minnesota Department of Agriculture’s Arrest the Pest line](https://www.mn.gov/Minnesota-Department-of-Agriculture) at 1-888-545-6684 or [arrest.the.pest@state.mn.us](mailto:arrest.the.pest@state.mn.us).

Since it was first discovered in the state in 2016, Palmer amaranth has been found in seven Minnesota counties, including Lincoln. It was discovered in conservation plantings in Lyon and Yellow Medicine counties in 2016, and Todd and Douglas counties in 2017. The MDA confirmed the weed in row crop fields in Redwood and Jackson counties in 2018. Details of previous finds can be found [on the MDA website](https://www.mn.gov/Minnesota-Department-of-Agriculture).

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## **STB Plans to Issue Proposals Soon on Rail Rate Reform and Demurrage / Accessorial Practices**

The federal Surface Transportation Board (STB) in the next several weeks is expected to issue two major proposals – one of which would modify its current timely, costly and largely unworkable process for challenging unreasonable freight rates while the other would contain concepts designed to address rail carriers’ commercially unfair and nonreciprocal demurrage and accessorial tariff practices and charges imposed on rail customers.

**Rate Reform:** The rate-reform proposal, a long-time objective of STB Chairman Ann Begeman, is expected to draw from several recommendations of the agency’s Rate Reform Task Force, which on April 25 issued a significant study that NGFA at the time called a “thoughtful, succinct and good-faith document” that contained “several new, innovative and intriguing concepts that warrant additional consideration by the STB.” Members of NGFA’s Rail Shipper/Receiver Committee provided initial reactions to the STB Rate Reform Task Force’s report on Aug. 7 during separate meetings with each of the STB’s three members, including Begeman. During those meetings, NGFA referenced several of the STB task force’s recommendations that mirrored those proposed to the agency by NGFA when it submitted a major rail rate reform proposal for agricultural shippers and receivers in 2014.

It is believed STB’s initial rate reform proposal will contain several – perhaps two or three – of the key concepts and recommendations contained in the report. STB members have indicated to NGFA that they want to issue and begin acting on several of the task force’s proposals, while others may be considered at a subsequent time.

One of the rate-reform recommendations expected to be proposed is a so-called “final-offer decision-making” concept for “small” rail rate cases (which perhaps may be defined based upon the monetary damage claim sought by the rail customer). Under this concept, the STB would establish procedural limitations to streamline and expedite the review. The rail customer challenging a carrier’s rate and the railroad would simultaneously submit arguments on whether the carrier is market dominant, as well as what they believe to be a reasonable rate offer. The STB then would determine if the railroad had market dominance – a requirement under the Staggers Rail Act of 2000. If it did, the STB then would select either the shipper or carrier’s rate offer – without modification – under an expedited timetable (the STB task force recommended that the entire process, including an STB decision, conclude within 90 days).

**Demurrage/Accessorial Tariffs:** The STB also is scheduled to issue a proposal that would require rail carriers to address demurrage and accessorial tariff practices and charges that are commercially unreasonable and non-reciprocal (in that they do not apply commensurate penalties on railroads for service-related delays). The proposal follows a robust and detailed STB public hearing conducted May 22-23 that put a spotlight on egregious railroad practices. During its meetings with STB members on Aug. 7, NGFA noted that few, if any, substantive changes have been made by the Class I carriers to correct those practices since the May hearing, and as a result, action by the agency is both justified and needed by rail customers.

During an Aug. 22 meeting with the Agricultural Transportation Working Group that consists of more than 30 agricultural producer and agribusiness organizations and is co-chaired by NGFA and the American Farm Bureau Federation, STB member Martin Oberman said the agency's May public hearing made it "pretty clear that many (railroad) practices are unreasonable and need to be reined in." Oberman also expressed his view that demurrage and accessorial penalties should be applied by railroads only if there is clear evidence that the rail customer is at fault.

Both the rate reform and demurrage/accessorial proposals will be subject to public comment, and NGFA is committed to continuing to be proactively and extensively engaged in both matters on behalf of its member companies.

*Source: NGFA Newsletter*

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