



February 2018 Newsletter

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ALERT! Hotel Rooms Still Available but Going Fast - Make Your Reservations to Beat Today's Cut-off Date

The Mystic Lake Casino Hotel, site of the 111th annual MGFA Convention and Industry Trade Show, has been busy accepting reservations for lodging. ***Don't delay – make those reservations today!*** The new hotel annex (Promenade) is about at capacity but plenty of rooms are still available in the hotel complex. Each reservation at the \$129 single/double rate includes a \$20 Mystic Lake Casino gaming voucher, free self or valet parking, wireless internet and access to the *Dakotah! Sport and Fitness Center*. To reserve lodging at the Mystic Lake Casino Hotel, follow the link to Mystic's booking website at <https://aws.passkey.com/e/49518130>. You can also call Mystic Lake's reservation line at **1-800-262-7799** and **request the Minnesota Grain & Feed Association room block**. The **cut-off** date for making reservations at the convention rate is **February 12**

Still Time to Make Plans to Join Your Industry Friends and Colleagues at the "Grain Convention"

“Elevate Your Business” is the theme for the upcoming 111th Annual Convention & Industry Trade Show of the Minnesota Grain and Feed Association, scheduled for Tuesday-Thursday, **March 6-8, 2018, at the Mystic Lake Casino Hotel**. You are cordially invited to join in on the festivities, of what promises to be a great industry networking event. This annual convention and industry trade show is designed to offer something for everyone involved in the grain and feed industry - owners, managers, employees, co-op elevator farmer directors and spouses. The trade show will feature a variety of exhibitors, offering a wide array of industry specific products and services (click [here](#) for exhibitor list). The speaker lineup includes a host of top industry experts covering the pertinent issues of the day, as well as several very entertaining presentations (click for the current [agenda](#) and [registration form](#)). We hope to see you at Mystic Lake!

Pre-Convention Tour Update – The pre-convention tour this year will be a “**behind the scenes tour**” of the Mystic Lake Casino Hotel, scheduled for **4:00 p.m. on Tuesday, March 6**. The tour will include a trip around the hidden underground network of interconnected stations that handle an unbelievable amount of food preparation, an intricate food and beverage distribution system, the extensive use of locally sourced and produced products, their unique inventory control, their unique and extensive recycling initiative, and more. The tour will conclude with a reception being hosted by the MGFA Board. Note: For security reasons, you won’t be allowed to see their elaborate security system but the rest of the tour is guaranteed to amaze. You can register for the “behind the scenes tour” on the attached convention registration form. The cost of the tour is a nominal \$25/person. This is truly worth checking out!

CONVENTION SPEAKER SPOTLIGHT - Dr. Keri L. Jacobs

Dr. Keri L. Jacobs, assistant professor and extension economist in the Department of Economics at Iowa State University and holds the Iowa Institute for Cooperatives Endowed Economics Professorship. Dr. Jacobs will be speaking at the **Co-op Farmer Director convention seminar** on Wednesday morning, March 7.

Title: Dovetailing Member Value and Expectations with Strategic Financial Management

Description: Local cooperative boards face significant challenges in developing, understanding, and executing strategy in an increasingly complex environment. Key among these is in aligning strategic financial management with producer-member values and expectations of the cooperative. This session highlights the important role of defining the co-op’s value proposition as a way to inform decisions about profit allocation and equity management.

Leadership Development Program (March 6) Being Held in Conjunction with MGFA Convention

The MGFA is continuing to partner with the local leadership development firm IntRAtrain, to provide a leadership development program on **Tuesday, March 6**, at a meeting facility located on the Mystic Lake Casino Hotel campus. Information on the training program is enclosed. **Over 40% of today’s great leaders will retire in the next 5-7 years**. Developing leaders now is the best way to prepare for this shift. This interactive, blended learning course is designed for employees who want to grow professionally to be great leaders. Ideal participants include current or emerging leaders in your company. All leaders, managers, and supervisors who are accountable to maximize the efficiency and productivity of others will find value in this course. As a bonus, meeting participants will have the (future) opportunity to join MGFA Executive Director Bob Zelenka for a “Day at the Capitol”, augmenting their leadership development by offering insight into the legislative and regulatory process that impacts our daily lives, both professionally and personally. The results of your company are only as good as the people in your company. Leaders are the principle shapers of an organizations culture and strategy. What leaders think, do and how they interact with others is critical to a company’s success.

MGFA to Host Preventive Controls Qualified Individual (PCQI) Training - March 5-7

The FSMA *Current Good Manufacturing Practice, Hazard Analysis, and Risk-based Preventive Controls for Animal Food* regulation (referred to as *the Preventive Controls for Animal Food* regulation) is intended to ensure safe manufacturing/processing, packing and holding of food products for animal consumption in the United States. The regulation requires that certain activities must be completed by a "preventive controls qualified individual (PCQI)" who has "successfully completed training in the development and application of risk-based preventive controls, or is otherwise qualified through job experience to develop and apply a food safety system." This course, created by the Food Safety Preventive Controls Alliance (FSPCA), is the "standardized curriculum" recognized by FDA. Successfully completing this course is one way to meet the requirements for a "preventive controls qualified individual."

The course being offered by the MGFA will be taught by lead instructors trained by the FSPCA, who have been instructed in how to teach the FDA-recognized standardized curriculum. In fact, the current chair of the FSPCA, David Fairfield, Senior Vice President for Feed at the National Grain and Feed Association, is the lead instructor at this upcoming MGFA Hosted PCQI training session. The PCQI training required under the FSPCA requires an approximate two and a half day course. **The MGFA will holding its next PCQI training session on March 5-7, in conjunction with the MGFA annual convention being held at the Mystic Lake Casino Hotel.** The course will also include: An overview of the FSMA requirements for animal food, Good Manufacturing Practices requirements currently being required and enforced by the MN Dept. of Ag, animal food safety hazards, an overview of the food safety plan, hazard analysis and preventive controls determination and a review of the sanitary transportation rule.

Registration - The registration fee for the PCQI training is \$400/person for MGFA members or \$475/person for non-members, with a limit of 50 participants. The event will be held at the Mystic Lake Casino Hotel, Prior Lake, starting on Monday afternoon, March 5 and concluding in the afternoon of Wednesday, March 7. To secure a sleeping room at the Mystic Lake Casino Hotel, follow the link to Mystic's booking website at <https://aws.passkey.com/e/49518130>. You can also call Mystic Lake's reservation line at **1-800-262-7799** and **request the Minnesota Grain & Feed Association** room block. To register for the PCQI training course, call the MGFA office or print the registration form off the MGFA website. The registration deadline is February 19, 2018.

Grain Grading Schools Planned

The next series of grain grading schools, involving USDA licensed grain inspectors as instructors, are planned for **April 3** at Thumper Pond Resort, Ottertail and **April 5** at Jackpot Junction Casino Hotel, Morton. These schools have just been scheduled so more details to follow.

Further Update on Resolving Section 199A Tax Issue

In addition to the MGFA Washington Weekly e-mail sent on Friday, which contained information on continuing efforts to address the 199A tax issue, we wanted to update you on further efforts underway in Washington to address the unforeseen impacts of Section 199A of the Tax Cuts and Jobs Act (P.L. 115-97), enacted by Congress and signed into law by President Trump on Dec. 22.

**From: Bob Zelenka, Executive Director, Minnesota Grain & Feed Assn.
Randy Gordon, President and CEO, National Grain & Feed Assn.**

As NGFA member companies and affiliates likely are aware, legislation to correct the unforeseen impacts of Section 199A of the Tax Cuts and Jobs Act of 2017 was not included in the continuing budget resolution that Congress enacted early Friday morning.

Efforts to arrive at an equitable solution were nonstop during the past week, and the NGFA and other stakeholders were very close to reaching an agreement with legislators but just ran out of time to resolve one or two remaining issues. In fact, discussions were occurring late into the evening on Feb. 7 at the highest levels of both chambers of Congress to determine if a final agreement could be reached and included in last week's spending bill.

We can assure you there continues to be a strong commitment and momentum from lawmakers in Congress and among stakeholders to arrive at a solution in the near-term so that legislative language can be attached to the next available bill moving to President Trump's desk. The U.S. Department of Agriculture also is providing its strong encouragement and support to resolving this issue quickly.

The next must-pass spending bill to be considered by Congress will be an omnibus budget package that must be enacted by March 23. But no one is sitting on their hands until then. Given the strong momentum and progress made, particularly over the last week, work is intensifying between and with the tax staff members of the Senate Finance Committee and the House Ways and Means Committee - the two tax-writing committees of Congress - to finalize an equitable solution. The objective of this work remains two-fold:

- Replicate the tax treatment accorded to cooperatives and their farmer-patrons under previous Section 199 of the tax code, which was repealed by the new tax law; **and**
- Do so in a way that restores the competitive landscape of the marketplace that existed prior to enactment of Section 199A on Dec. 22, 2017.

NGFA has been blessed and gratified to have access to top tax experts from both cooperative and independent/private company members, whose professionalism and expertise have been invaluable in assisting NGFA in analyzing various legislative proposals designed to arrive at an equitable solution as quickly as possible. These tax experts and our staff have been working virtually nonstop, including over Super Bowl weekend, to analyze and provide constructive input to Congress. We've been thanked on multiple occasions by members of Congress and their staffs for the valuable input and balanced perspectives that NGFA has brought to this complicated issue.

NGFA's determination to resolve this issue equitably and expeditiously is captured in the media statement we issued on Feb. 8:

"The National Grain and Feed Association (NGFA) is disappointed that a solution to correct the unintended consequences of Section 199A could not be completed in time to include in the continuing budget resolution being considered by Congress this week. Considerable progress has been made during the last several weeks of intensive effort toward reaching an equitable solution. The two fundamental goals of these efforts remain to replicate the tax treatment accorded to cooperatives and their farmer-patrons under previous Section 199 of the tax code, and to do so in a way that restores the competitive landscape of the marketplace that existed prior to the enactment of Section 199A on Dec. 22, 2017.

"NGFA remains committed to achieving such an outcome expeditiously. We are gratified that the many members of Congress with whom we and other stakeholders are engaged on this issue are equally committed to enacting an equitable solution as part of the next available legislative vehicle. All concerned are very cognizant of the adverse and unforeseen disruptions Section 199A already is having in the marketplace and the perverse impacts it is having on companies' business decisions. As an organization that represents both farmer-owned cooperative and independent/privately organized companies, NGFA remains committed to working intensely and diligently with Congress and other stakeholders to resolve this issue promptly."

A reminder that you can access NGFA's information and resources on this issue on our website by clicking [here](#).

I look forward to the next message from NGFA to its members and affiliates on this issue to be one that reports that a solution has been reached, and that legislation that includes it is on its way to President Trump for signature. There will be no let-up in our efforts to achieve that successful outcome.

Recent Report Show Feed Industry as a Major Contributor to State and Nation's Economy

America's animal food manufacturing industry is at the intersection of plant and animal agriculture. More than 5,715 animal feed and 517 pet food facilities take farm-grown crops and ingredients as well as food coproducts and develop high-quality, nutritious and safe animal food. Just as farmers and ranchers depend on our industry for the healthy growth and development of more than 9.6 billion food-producing animals annually, pet owners entrust us to feed the over 144 million dogs and cats they call their companions.

But feeding America's livestock and pets is not all that we do—our industry also significantly contributes to the national economy. A recent report commissioned by the Institute for Feed Education and Research found the animal food manufacturing industry generated \$297.1 billion in total U.S. sales in 2016, including roughly \$102 billion in benefits to associated industries (e.g., transportation industry). The industry employed over 944,000 people that year—paying nearly \$56 billion in wages—and contributed roughly \$22.5 billion in cumulative local, state and federal taxes.

Minnesota – The Minnesota Feed Industry was shown to generate \$9.8 billion in total sales, an approximate \$3.5 billion in benefits to associated industries (i.e., transportation sector), employing nearly 33,000 primarily rural citizens, and contributing over \$813 million in cumulative local, state and federal taxes. The top five animal species by consumption are: Hogs at 5,222,785 tons; beef cattle at 2,102,974 tons; Turkeys at 1,791,219 tons; dairy cattle at 1,233,866 tons; and layers at 429,945 tons. The top five ingredients are: corn at 6,341,639 tons; soybean meal at 1,401,835 tons; DDGs at 1,161,026 tons; wheat products at 83,674 tons; and, animal proteins at 129,366 tons. The demand for animal food is strong, and the industry is expected to continue to thrive as it develops innovative solutions that meet consumer demands, reduces its environmental impact, and increases productivity.

MDA Hosting Anhydrous Ammonia (NH₃) Inspection and Compliance Workshops

The Minnesota Department of Agriculture has announced a series of anhydrous ammonia inspection and compliance workshops, to be held from March 6 to March 14 in various locations. The workshops are designed for anyone who uses, maintains, or operates anhydrous ammonia bulk storage and/or equipment, including farmers and emergency responders. Each workshop will begin at 8:30 a.m. and conclude by Noon. To preregister, e-mail your name, company name, address and phone number to Adreanne.Johnson@state.mn.us. For details on a location near you, click here.

Silent Auction Being Held During Convention to Benefit the MGFA Scholarship Program

A silent auction will again be held at the upcoming MGFA convention, as a means to generate additional funding for the MGFA "Commitment to Agriculture Scholarship Program." The fund annually awards up to four \$1000 scholarships for MGFA member students pursuing an agricultural curriculum. The silent auction will be located in the convention tradeshow exhibit hall and its hours of operation will coincide with the hours of the trade show and concluding at 1:15 p.m. on Thursday, March 8 (45 minutes prior to the close of the tradeshow). So far, we have received the following items available for bidding at the silent auction (and more are expected):

- Four tickets to a Twins game on Saturday, July 7 against the Orioles (\$300 value) – donated by Dorsey & Whitney Law Firm, Minneapolis
- One night stay in executive level room (\$200 value) – donated by the Hilton Minneapolis
- A variety gift/lodging basket (\$200 value) – donated by AgVantage Software, Inc.
- Winter Survival Gear and fuel gift cards (\$200 value) – donated by Enbridge
- One night stay with breakfast for two (\$200 value) – donated by Doubletree by Hilton, Bloomington
- Overnight stay in a king or double queen suite, water entertainment passes, 2 rounds of golf and dinner at Willy T's Tavern & Grill (\$350 value) – donated by Thumper Pond, Ottertail
- One night stay in a deluxe room and dinner in the Green Mill Restaurant (\$175 value) – donated by the Best Western Kelly Inn, St. Cloud
- Two 18-hole rounds of golf with cart (\$100 value) – donated by North Links Golf Course, North Mankato
- YETI cooler (\$200 value) – donated by Compeer
- Golf accessory package (\$125 value) – donated by CNA Surety Company
- One night stay, including breakfast and water park passes (\$250 value) – donated by Arrowwood Lodge at Brainerd Lakes, Brainerd
- A variety of unique grain bin bird feeders and coin banks (\$100 value) – donated by Cornstalk, Jordan
- A Visit Duluth package (\$150 value) – donated by Visit Duluth CVB
- A liquor basket (\$200 value) – donated by Gislason and Hunter, New Ulm
- **JUST ADDED** – Quart of Diacon Plus, non-restricted use grain pesticide (\$230 value) – Central Life Sciences
- **JUST ADDED** – Apple watch (\$300 value) – donated by Bratney Companies

MGFA Asks Members to Consider Placing Your Grain Bonds Through the Association

The Minnesota Grain and Feed Association, through its in-house (MGFA) insurance agency, has been providing grain warehouse, grain buyer and deferred payment (surety) bonds for country grain elevators for over 80 years. However, many members currently get their grain bonds through a local agency or some other insurance agency that has nothing to do with the industry you are in. The MGFA members that do get their grain bonds through the association, see real value in the fact that **100% of the agency commission earned, is retained by the association and returned to MGFA members in the form of legislative and regulatory representation, timely industry information and pertinent industry education.** Again, you are already paying a premium to some agent and underwriter somewhere so why not consider getting your Federal and/or State grain bonds through YOUR association, while adding another (painless) level of financial support for the activities of the association!

We certainly appreciate (and need) the additional financial support this bond program provides for the (your) Association, especially in these times of continued consolidation. This bond program is the second major source of income for the association next to member dues so a continued reduction in bond income could result in a need to reassess our dues structure. It is simple to separate your surety bond coverage from your other insurance coverages or to change agencies if necessary. In addition, bonds are continuous (in-force until cancelled) so they can be changed at any time during the license year so why not shop and compare rates. To receive a quote from us, simply contact the MGFA office at 651-454-8212 or e-mail us at info@mgfa.org. Thanks for the consideration of another (painless) way to support the Minnesota Grain and Feed Association, THE voice of the Minnesota grain and feed industry.

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