



## March 2017 Newsletter

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### MGFA Grain Grading Schools Happening Next Week

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The Minnesota Grain & Feed Association will again be sponsoring grain grading schools at two locations this spring. These schools are great for your newer employees but also serves as a good refresher for that seasoned veteran. Each school is conducted in a very practical manner, using actual samples of the various grain damage encountered at an elevator. The instructors are licensed grain inspectors, provided by Grain Inspection, Inc., and Sioux City Inspection & Weighing Service. The first grain grading school will be held on **Tuesday, March 28** at the (Best Western) Bigwood Event Center, Fergus Falls (218-739-2211). The focus at this school will be on wheat, soybeans and corn. The second grain grading school will be held on **Thursday, March 30** at the Jackpot Junction Casino Hotel, Morton. The focus at this school will be on the grading of corn and soybeans (not wheat), as well as odors, a problem more prevalent lately with the amount of grain stored in temporary structures this year. Each school will begin at 9:00 AM and conclude by 3:00 PM (lunch included). Proper use of grain grading equipment will be demonstrated and each participant will receive a participation certificate. The cost for the school is \$90/person for members and \$100/person for non-members. The cost includes training materials, training personnel time, breaks and lunch. The size of each school is limited so early registration is encouraged.

To register, complete & return the [registration form](#) and your payment to the MGFA office.

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## Legislative Update

**Feeder Lien Legislative Initiative** – The bill (HF 983, authored by Rep. Paul Anderson) was heard in the House Agriculture Committee on February 28 but due to stiff opposition from the lender community, the bill was tabled and likely not progressing this year. Fortunately, this is the first of the two year biennium so this bill gets picked up where it left off, versus having to go through the process of formulating and introducing a whole new bill. This bill continues to be a high priority for us.

Basically, the bill strikes the reference in the Feeder Lien Statute (514.966) to the Livestock Production Input Lien, which exists in its own Minnesota Statute (514.964) and which was originally called an agricultural input lien, designed to cover inputs other than feed but without a clear path to a priority lien. The reference to this livestock input lien was added by lenders (over our opposition) a few years ago, to this already existing feeder lien statute. Since then, this added lien process has created confusion in the courts, in determining which of the lien processes to recognize. The original Feeder Lien Statute, in our opinion, provided a priority lien for the value of feed provided to a livestock operation, while the Livestock Production Input Lien only provides a priority if the lender offers it or if the lender fails to respond to the lien notice in 10 days.

Unfortunately, a recent court decision has rendered the feeder lien priority nearly useless for a feed provider!

Our bill adds some important clarifying language, to clear up what the court saw as “ambiguity” in the feeder lien language, contained in the (2012) court proceeding - *First National Bank vs Profit Pork, LLC* and which the lenders use as a reference in support of their position on feed lien priority (the court ruled that the livestock production input lien trumped the feeder lien). This case involved the Wilmont-Adrian Co-op Elevator and unfortunately, this court decision led to its demise. We are afraid other firms are subject to the same fate without a way for a feed mill to mitigate their risk in providing feed in this financially troubling time in agriculture! We plan to continue this fight so stay tuned!

**Ag Containment Tax Exemption Threatened** - A second House Policy Committee is hearing a bill this week that would modify the tax exemption on agriculture containment facilities, [H.F. 1720](#), authored by Rep. Jeff Backer, Browns Valley. The MN Crop Production Retailers Assn. has been leading the opposition. In 1992, a tax exemption was authorized for structures that contain certain crop inputs such as fertilizers and crop protectants. These containment structures were mandated by law, and since 1992 the exemption has been applied in a variety of ways by local assessors. In fact, some assessors were not applying the exemption at all. During the 2015 and 2016 legislative sessions, efforts were made to repeal this exemption in a tax bill that was vetoed by the Governor. It should be noted this tax exemption for ag containment facilities has not been realized by some, due to improper and/or inconsistent application by some local assessors. This legislation could certainly have a significant financial impact on local fertilizer operations! We continue to oppose the bill and are working with the MCPRA on potential compromise language.

The House and Senate Agriculture Policy Committees have assembled their committees' **Agriculture Omnibus Policy Bills**. The bills HF1717 and SF1674 consist of many recommendations from the Minnesota Department of Agriculture and other policy related bill and initiatives proposed by legislators. Policy provisions of interest include: Extends the Minnesota Agricultural Fertilizer Research and Education Council until June 30, 2020; Modifies bylaws, duties, staffing and board of directors AURI; Increases threshold for Farmer-Lender Mediation Act from \$5000 to \$15,000; Dairy law reorganization; Does NOT include a Minnesota Department of Agriculture request for authority to regulate treated seeds as directed by Gov. Dayton's executive order.

**HF 1304, authored by Rep. Swedzinski**, adds grain bins to the list of “farm machinery” that is exempt from sales and use tax. While a certain amount of farm storage is needed, we didn't support this additional tax exemption as an additional enticement to build more. However, in these depressed economic times in agriculture, legislators feel the need to do all they can to address the problem. There is currently approximately 600 million bushels of commercial (grain elevator) storage capacity in Minnesota, while

Minnesota farms contain over 2.5 billion bushels of storage capacity.

**HealthCare Bill** – The first bill introduced in both the House and Senate this session and one of the first signed into law by the Governor on January 26, was the Healthcare Bill. One key element in the bill for rural Minnesota, allowed for establishment of an agricultural cooperative health plan. This joint self-insurance plan offers health coverage to members of an ag cooperative that establishes the plan and their dependents, employees of members of the cooperative that establishes the plan and their dependents, or to employees of an ag cooperative that establishes the plan and their dependents. To participate, a member must participate in the plan for at least three (3) consecutive years or face a penalty. The provision was contained in a larger piece of legislation aimed at providing healthcare premium relief to assist in stabilizing Minnesota's individual insurance market. The overall legislation provides a one-time \$325 million appropriation from state budget reserves for premium relief to those who buy insurance through the individual market, a provision to allow for continuity of care in severe healthcare cases, and several other reform measures aimed at strengthening the individual market for 2018.

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## Ag Week in America

Ask many Americans where their food comes from, and they'll answer the supermarket, while clothing comes from the mall. Dispelling such notions is why today kicks off National Agriculture Week. **Tomorrow, March 21, is National Agriculture Day**, featuring most of the themes and activities. These annual programs focus on students across the nation, the consumers of tomorrow. They'll learn that from pizzas to cosmetics, from clothing to orange juice, agriculture gives us what we eat each day and much of what we wear and use. In 1920, there were nearly 6.5 million farms in the U.S., and some 32 million people lived on farms. Today, the number of farms has shrunk to just over 2 million. America has 912 million acres of farmland, averaging 434 acres per farm. Ag Week was the brain child of the Agriculture Council of America (ACA), an organization uniquely composed of leaders in the agriculture, food and fiber communities dedicated to increasing the public awareness of agriculture's vital role in our society. The Agriculture Council of America and the National Ag Day program was started in 1973.

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## Applications Being Accepted for the 2017 MGFA Scholarship Program

Do you or an employee have a college-aged child who could use some financial support in their pursuit of a degree in agriculture? If so, your college student may be eligible to receive a scholarship through the MGFA's Commitment to Agriculture Scholarship Program. The MGFA is offering \$1,000 scholarships & is currently accepting applications for the 2017 school year for college students at either a 2-year or a 4-year college who have a minimum 2.75 GPA. Applicants must be the child of a current MGFA member elevator or feed mill employee who is in good standing with the Association. The student must be pursuing a degree in agriculture (preference will be given to those with a focus on agribusiness). The scholarship application is available on our website at [www.mgfa.org](http://www.mgfa.org) > About Us > MGFA Scholarship Program or you can contact the MGFA office for more information. **The application deadline is April 21, 2017.**

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## Announcing a New Addition to the MGFA Insurance Team - AFLAC

The Minnesota Grain and Feed Association is teaming up with a well-known insurance provider - Aflac, to add an extra layer of protection for your employees, in the form of supplemental coverage. Aflac offers individual insurance plans and generally processes claims in four days on average. There is no direct cost to your company to add this popular employee benefit. Over 465,000 businesses nationwide offer Aflac to their employees. Our local Aflac contact is looking forward to working with association members, to evaluate your insurance needs and to assist in communicating with and educating your employees about the value of supplemental coverage. If you are interested in learning more about this new Aflac relationship, contact Michael McGuire by phone or e-mail – (651) 330-8035 or [michael\\_mcquire@us.aflac.com](mailto:michael_mcquire@us.aflac.com).

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## **Please Submit Your Member News for the Spring Edition of the MGFA Member Magazine**

We are hoping to collect recent association member news for the 2017 Spring edition of the MGFA's *Mill & Elevator News* magazine. The semi-annual magazine dedicates a portion of its contents to member news and we need your help to complete the member news section. Some examples of the news we are interested in receiving include: any management changes, any new construction or expansion at your facility, an annual meeting summary and highlights, a milestone (years of service or a retirement), employee changes, etc. **Please feel free to email your news to [mgfa@usinternet.com](mailto:mgfa@usinternet.com) or fax the office at 651-454-8312.**

We see real value in members sharing information and staying connected with other members through this member magazine. The idea is to provide some common ground for members to share achievements with one another. This industry is very unique, with a rich tradition that we strive to maintain, improve and promote. Your help in this endeavor is appreciated! **DEADLINE: March 30.**

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## **Welcome To Our Newest Member**

We'd like to welcome Day Consulting of New Ulm to the fold – Bill Day, owner. We certainly appreciate Bill's support of the MGFA mission and we trust Day Consulting will realize the value of membership. Thanks again Bill!

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## **The 110th Annual MGFA Convention Was One to Remember**

The 110th Annual Convention and Trade Show of the Minnesota Grain and Feed Association, will go down as one of the more enjoyable and informative gatherings in recent memory. It started with a fascinating pre-convention Twin Cities tour, highlighted by a visit to the Guthrie Theater and the newly remodeled State Capitol. The Thursday morning concurrent sessions (a manager/key employee session and a co-op farmer director session) involved a great line-up of speakers covering very pertinent topics.

The trade show provided attendees with a wide array of exhibitors (87), covering every conceivable need or desire you would have at your elevator or feed mill. Our silent auction, in support of the MGFA scholarship program, had some spirited competition for a great line-up of items, including hotel packages, golf packages and accessories, a good deal on a suite at a Twins game and much, much more.

A couple of our most interesting and entertaining presentations were provide by Holly Hoffman, Survivor Nicaragua, Season 21 finalist and Ben Utecht, former Gopher wide receiver and member of the Indianapolis Colts Super Bowl team.

The event concluded with a gala reception held at the new US Bank Stadium, which included tours of the facility and a chance to catch part of a Gopher baseball game that was going on during the reception. The words used to describe the stadium event were – awe inspiring, breathtaking, and awesome (by one of our younger attendees). All in all, the 500+ convention participants were treated to an exceptional experience that many will not soon forget! We want to thank each and every one of them for their support and participation! The weather even cooperated!

We'd like all members of this unique industry to consider participating in this premier event, when we host the 111th annual convention and industry trade show at the **Mystic Lake Casino Hotel on March 6-8, 2018.** Mark your calendars and make plans to join your industry friends and colleagues at this premier annual event! You'll be glad you did!

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**Thank You Convention Sponsors!!**

We'd like to thank the following firms for their financial support of the recent 110th Annual MGFA Convention and Trade Show:

ADM-Benson Quinn, Mankato, Marshall  
Ag Processing, Inc (AGP)  
Ag Country Farm Credit Services  
Bank of America  
BMO Harris Bank  
BNSF Railway  
Carver Company  
CEEC, Inc.  
CHS, Inc.  
CoBank  
Gardiner Thomsen CPA's  
Gislason & Hunter, LLP  
Howalt+McDowell Insurance, a Marsh & McLennan Agency  
Knobelsdorff Electric  
Lowry Manufacturing Co.  
Minnesota Corn Growers Association  
Minnesota Soybean Research & Promotion Council  
Union Pacific Railway  
VAA, Inc (Van Sickle Allen & Assoc.)  
Victor Lundeen Company

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### **Thank You to Those Who Attended the Convention (Firms Listed)**

**A big thank you to the grain and feed firms, who chose to attend the 110th annual Minnesota Grain & Feed Association Convention & Trade Show. If you are not on the list, you missed a good one! We hope you will consider joining your industry friends and colleagues at the 111th annual convention and trade show, scheduled for **March 6-8, 2018**, at the new convention center and hotel annex of the **Mystic Lake Casino Hotel**.**

ADM-Minneapolis, Mankato and Marshall  
Ag Partners, Goodhue  
Alvarado Farmers Elevator  
Canby Farmers Grain Co., Canby  
Central Farm Service, based in Truman  
CHS - Erskine  
CHS - Mankato  
CHS - Marshall  
Co-op Country Farmers Elevator, Renville  
Crystal Valley Co-op, Lake Crystal  
Dawson Grain Co-op, Dawson  
Equity Elevator & Trading Company, Wood Lake  
Farmers Co-op Assn. of Milroy, Milroy  
Farmers Co-op Elevator Co., Bellingham  
Farmers Co-op Elevator Co., Hanley Falls  
Farmers Co-op of Hanska  
Farmers Elevator Co. of Traverse, St. Peter  
Farmers Win Co-op, Fredericksburg, IA  
Gavilon LLC ., St. Paul  
Georgetown Farmers Elevator, Georgetown  
Glacial Plains Cooperative, Murdock  
Heim Milling Company, St. Cloud

Hoffman Co-op Grain Assn., Hoffman  
Independent Farmers Ag Service LLC., Hancock  
Markit County Grain LLC.  
Matawan Grain and Feed, Matawan  
Nassau Farmers Elevator, Nassau  
New Vision Co-op, Brewster  
Prairie Grain Partners, Clarkfield  
Pro Ag Farmers Co-op, Brandon  
Protein Sources Milling, Mapleton  
River Region Co-op, Sleepy Eye  
Schmitz Grain Inc., Currie  
South Central Grain & Energy, Fairfax  
UFC, Winthrop  
Western Consolidated Co-op, Holloway  
Wheaton-Dumont Co-op Elevator, Wheaton  
Whitewater Milling LLC., Lewiston

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