



May 2018 Newsletter

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“LAST CALL” Member Salary/Benefits Survey

The Minnesota Grain and Feed Association conducts a membership profile, salary and benefit survey every two to three years. The information collected is used by many members as a reference for their own employment situation. In addition to the salary and benefit questions, the elevator and feed mill profile questions provide us with an updated picture of what an average elevator and feed mill looks like. This information is very revealing for our industry and can be very valuable, especially in our regulatory, legislative and public education efforts. **Please submit your survey ASAP!** If you already did submit the survey, THANK YOU!

This survey was sent to members on April 20 and again on April 30 by e-mail and by hard mail. The survey is conducted on your behalf and **its accuracy is dependent upon extensive participation by our members**. Survey results will be compiled by an independent outside source, to protect your confidential information submission. (Please note the PO Box address for mailing back the survey). Only aggregate results will be made available to further protect confidentiality and we want to strongly encourage your honest and timely participation. The results will be available to members only (upon request) and limited to General Managers and Board Chairmen. *Thank you!*

MGFA Annual Feed Forum Planned

The MGFA has just finalized plans to hold its annual Feed Forum on **Tuesday, June 19** at the Best Western Kelly Inn, St. Cloud. This meeting is designed specifically for feed mill owners, managers and employees, annually exploring the issues of the day, operational efficiencies, the legislative and regulatory environment, etc. The networking opportunity with your industry colleagues is unparalleled. This year's tentative agenda includes a continued focus on FSMA compliance, current CGMP inspections, vitamin issues, sales training tips, a look at federal issues impacting the feed industry and more. The registration fee is \$95/person for members (\$115/person for non-members), which includes hand-out materials, breaks & lunch. To register, visit our website www.mgfa.org/news-events/calendar-of-events/.

Association Hosts NAFTA Meeting With Canadian Consul General

The Minnesota Grain and Feed Association staff, along with the executive directors of the North Dakota Grain Dealers Association and Wisconsin Agri-Business Association, met with the office of the Canadian Consul General last week, to discuss the current status of the NAFTA negotiations. The meeting was hosted by the MGFA. A few sticking points still remain but there is confidence that this revised and updated version of the NAFTA will be agreed to within the next couple months. Minnesota exports \$4.3 billion in goods to Canada annually, with 16% of that related to the agricultural industry

- **Canada is Minnesota's #1 customer**
 - **174,200 jobs in Minnesota depend on trade & investment with Canada**
 - **Canada is Minnesota's #1 export market**
 - **Canada sells more to Minnesota than it sells to Japan**
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MGFA Attends U.S. Global Leadership Coalition Policy Breakfast

Bob Zelenka, MGFA Executive Director, was invited to and attended a policy breakfast hosted by the U.S. Global Leadership Coalition (USGLC) last week in Minneapolis. The breakfast featured Senator Amy Klobuchar, who delivered remarks supporting foreign aid, immigration reform, food security, women's economic empowerment, addressing human trafficking, and the importance of engaging with the world and avoiding isolationism. The USGLC works in our nation's capital and across the country to strengthen America's civilian-led tools — development and diplomacy — alongside defense. By advocating for a strong International Affairs Budget, the USGLC is working to make America's international affairs programs a keystone of U.S. foreign policy.

Annual Golf Outings Planned

The MGFA will again be hosting two summer golf outings – one north and one south. The Red River Valley Golf Classic will be returning to the Oak Knolls Golf Course in Red Lake Falls on **Wednesday, July 18**, featuring a 9-hole affair starting at 11:00 a.m. and concluding at approximately 1:30 p.m. with a steak

luncheon sponsored by the Minnesota Wheat and Barley Growers Association. The southern Minnesota outing this year will be held at the Dacotah Ridge Championship Golf Course at Jackpot Junction, Morton, an 18 hole event scheduled for **Wednesday, August 15**. To register, visit our website www.mgfa.org/news-events/calendar-of-events/.

Association to Meet With County Assessors to Revise Agri-Business Cost Schedule

The MGFA staff has organized a meeting (June 15 in St. Cloud) with the State County Assessors Association Agriculture Committee, to update a Cost Schedule that can be and is used by county assessors when analyzing the annual valuation of grain elevators, feed mills and fertilizer facilities. The current document hasn't been reviewed and updated since 2009. The cost schedule basically provides replacement cost information to be used as a "guide" by county assessors when estimating the cost new for grain elevators, feed mills and fertilizer facilities. Although replacement cost new can be estimated with reasonable accuracy for these ag facilities, estimating the amount of accrued depreciation can be more difficult. In addition, changes in the industry and competition has caused many of these facilities to experience functional and/or economic obsolescence. The document goes into great detail on all types of facilities and includes a suggested field checklist. **If you or a member of your team are interested in participating in this upcoming discussion, simply contact the MGFA office to let us know.**

Member News

Association loses influential leader - Former MGFA Board Member Carl J. "Jack" Mattson, Jr., 85, of Moorhead, MN, died on Friday, May 12, 2018, in Sanford Palliative Care, Fargo, ND. A Memorial Service for Jack will be held tomorrow (Wednesday, May 16) at 2:00 PM, in Lutheran Church of the Good Shepherd, Moorhead. Korsmo Funeral Service of Moorhead is handling the arrangements. Jack was a longtime manager in Minnesota, serving as GM at the Rothsay Farmers Grain and Mercantile Company before becoming GM of the Farmers Elevator Company of Eldred. He served on the Minnesota Grain and Feed Association Board from 1975-1989. Our condolences go out to Jack's wife Marilyn and family.

Consolidated Grain & Barge Co. and Riverland Ag form new company to jointly operate Savage Riverport - Consolidated Grain and Barge Co. ("CGB") and Riverland Ag (a fully owned and integrated subsidiary of Ceres Global Ag Corp.) last week announced an agreement to jointly own a new company called Savage Riverport, LLC. This company has assumed ownership and operation of a terminal located on the Minnesota River in Savage, MN.

The terminal, previously owned by Riverland Ag, will receive, store, and ship wheat, corn, soybeans, oats, rye and other products loaded on the TCWR, BNSF, UP and CP railroads, and by truck. The facility has 9.2 million bushels of grain storage with high speed truck and rail receiving capacity, as well as rail and barge shipping capabilities.

"CGB is looking forward to continued expansion into new markets with producers, cooperatives and commercial grain elevators. We've successfully worked with Riverland for the past five years and that relationship built a solid foundation for creating this business," said Steve Burbrink, Director of Business Development at CGB.

MGFA scholarships awarded - The Minnesota Grain and Feed Association has re-established a scholarship program (Commitment to Agriculture), to help college students meet their educational financial obligations. Applicants must be the child of an elevator or feed mill employee, whose employer is a current MGFA member in good standing with the Association. The student must be pursuing a degree in agriculture (preference will be given to those pursuing a degree in agribusiness) and have a minimum GPA of 2.75. This year, we are happy to announce that scholarships were awarded to two very deserving candidates - Jackson Deal, son of Philip and Colleen Deal, Wheaton-Dumont Co-op Elevator, and Joshua Longtin, son of Kelly and Diana Longtin, Red River Grain Co., Breckenridge. Congratulations to both of them!

A member firms' life-saving contribution - A few weeks ago the Nicollet County Sheriff's Office received a call of a 27-year-old man trapped inside a grain bin in rural Courtland. The man's foot was trapped by the pressure of the grain. The Courtland Fire Department used **rescue tubes, donated by United Farmer's Co-op**, to relieve the pressure and he was removed from the grain bin without injury. We want to thank UFC, the Wheaton-Dumont Co-op Elevator and other association members, for spending the money to outfit local fire departments with this life saving equipment!

INTL FCStone offering grain merchandising risk academy - INTL FCStone Financial Inc., FCM Division is hosting a three-day introductory "pure education" program for those new to the grain merchandising role. The Grain Merchandising Risk Academy will provide an introduction to the world of risk management and help attendees build a solid merchandising foundation. They are offering a special \$100 discount off the registration fee to MGFA members. The **Member's \$100 Off Discount Code is: G&F**
To learn more, visit <http://intlfcstone.cvent.com/events/grain-merchandising-risk-academy/event-summary-b54c149dd1c94a22a868b9ba37a78e90.aspx?RefID=association>.

Members Asked to Consider Placing Your Grain Bonds Through the Association

Letters were sent to members last week, asking for your consideration of placing your "required" grain bonds through the Minnesota Grain and Feed Association in-house bond agency. In a few weeks, your current underwriter or agency will be sending notices about renewal premiums due for your grain bonds. We have been providing grain surety bonds for country grain elevators (with CNA Surety as the underwriter) for over 80 years, **with 100% of the agency commission retained by the association and returned to you, in the form of industry information, education and both regulatory and legislative representation.** We certainly appreciate the additional financial support this bond program provides for the (your) Association, especially in these times of continued consolidation and an active regulatory environment. It is simple to separate your bond coverage from your other insurance coverages or to change agencies. In addition, bonds are continuous (in-force until cancelled) so they can be changed at any time during the license year. 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!

Warning - Zero Tolerance for Treated Seed in Grain - Poster Available

As planting gets underway across Minnesota, your farmer customers need to be reminded about the importance of taking precautions to ensure treated seed does not enter the grain supply. The Food and Drug Administration and the U.S. Grain Standards Act allows **ZERO TOLERANCE** for treated seed occurring in grain. A poster warning your customers of this zero tolerance policy is available on our website www.mgfa.org. The use of seed treatment technologies, including neonicotinoid insecticide treatments, is an effective tool to provide the necessary protection of seeds for a strong, healthy start. It is essential that those who treat, handle, transport, and plant treated seed manage them properly and in accordance with the label instructions to minimize the risk of pesticide exposure to non-target organisms. For detailed information about stewardship of treated seed, check out www.seed-treatment-guide.com.

More Grain Dust Explosions Reported Nationwide in 2017

There were seven reported grain dust explosions at U.S. food and agricultural facilities in 2017, two more than in 2016 but still below the 10-year average of 9.3 explosions per year, according to an annual report issued by Purdue University's Department of Agricultural and Biological Engineering.

The explosions in 2017 resulted in five fatalities and 12 injuries. Incidents were reported at one pet food plant, one grain mill and five grain elevators. There were three fatalities in 2016.

Kingsly Ambrose, assistant professor of agricultural and biological engineering and lead author of the report, said preventive measures can be taken to avoid dust explosions “Even with a 40 percent increase in the volume of grains handled and processed since the OSHA grain-handling standard was promulgated in 1988, the number of incidents has steadily declined over the past 10 years,” Ambrose said.

“Keeping the facility clean, training employees and contract workers, keeping equipment in good working condition by preventive maintenance and the use of dust explosion suppression systems and venting systems are good prevention practices.”

Indiana, Iowa, Nebraska, Oregon and Minnesota each reported one explosion last year, and two happened in Wisconsin. All dust explosion fatalities in 2017 happened in Wisconsin during a single incident, which also accounted for 11 injuries. The other injury was reported in Oregon. In two cases, the cause was reported as an overheated bearing and electric spark. The remaining five cases had unknown ignition sources, which Ambrose said is often the case due to the explosion destroying evidence that could confirm the source.

Ambrose said dust is generated when grain is moved, which is why most 2017 explosions occurred in the latter half of the year when grain is more likely to be handled. “Though explosion suppression systems provide some protection, we must keep in mind that grain dust explosions can only be controlled through preventive measures,” he said. To download the full report, go to <https://engineering.purdue.edu/FFP/research/dust-explosions>. For more information about the report, contact Ambrose at 765-494-6599 or rambrose@purdue.edu.

MGFA Participates in Coalition Effort to Save Cuts to Crop Insurance

Over the past three years, the House Agriculture Committee has conducted numerous hearings and listening sessions throughout the country to talk about priorities for the 2018 Farm Bill. One consistent theme from these meetings was “do no harm to crop insurance.” Yet as we approach floor action on the Farm Bill, we may see amendments that would do significant harm to crop insurance and to rural America. Our message to members of the House of Representatives, as they consider the 2018 Farm Bill on the House floor - **we urge you** to oppose harmful amendments to crop insurance, including those that would 1) reduce or limit participation in crop insurance, 2) make insurance more expensive for farmers during a time of economic downturn in agriculture, or 3) harm private-sector delivery. Crop insurance is food and fiber security insurance, and food and fiber security is national security. Given the importance of crop insurance, we urge you to support America’s farmers, ranchers, rural economies and national security by opposing amendments that would harm crop insurance.

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