



November 2017 Newsletter

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"Elevate Your Business" - Make Plans to Attend the 2018 MGFA Annual Convention & Industry Trade Show

The 111th Annual Convention & Industry Trade Show of the Minnesota Grain and Feed Association is scheduled for Tuesday-Thursday, **March 6-8, 2018, at the Mystic Lake Casino Hotel**. Their new conference center and new attached hotel annex, opening in January, will provide us with the newest and most lavish meeting location in the Twin Cities. All of the new meeting rooms, exhibit floor and annex sleeping rooms we will be using are conveniently located to each other and this new section is a short (indoor) walk to the casino and the wide variety of Casino Hotel restaurants.

The room rate will be \$129/night and includes a \$20 Mystic Lake Casino gaming voucher, free self or valet parking and wireless internet. We ask members to kindly **mark your calendar** and seriously consider joining your industry friends and colleagues at the annual "grain convention" and all it has to offer grain elevator and feed mill managers, employees, co-op elevator farmer directors and spouses. The "tentative" agenda looks like this:

Tuesday, March 6, 2018

- MGFA Board of Directors meeting
- Convention registration opens (Mystic Lake Center)

- **Casino Hotel “Behind the Scenes Tours”**, offered in the late afternoon (separate ticketed event with tour numbers limited)
- Evening open reception hosted by MGFA Board

Wednesday, March 7, 2018

- Convention registration open, 7:30 a.m.- 4:00 p.m. (Mystic Lake Center)
- **Concurrent Convention Seminars**, 8:30 a.m.-12:30 p.m., Isanati Rooms 1&2 (separate ticketed event with lunch included):
 - 1) Seminar designed specifically to address topics and issues related to elevator and feed mill management and employees
 - 2) Seminar designed specifically for co-op elevator farmer directors, addressing overall duties and responsibilities
- **Spouse Luncheon**, 11:00 a.m. – 12:30 p.m. (separate ticketed event) – luncheon to include food, entertainment and prize drawings
- **MGFA 111th Annual Meeting** – brief meeting to be held during the concurrent seminar attendee luncheon
- **Industry Trade Show Grand Opening** – 1:30 - 5:30 p.m., Mnitanka Exhibit Area, Mystic Lake Center
- **Evening Hospitality Rooms open**– 5:30-10:30 p.m., Caske and Winuna Rooms, Mystic Lake Center (multiple industry hosts)

Thursday, March 8, 2018

- Convention registration open
- **“The 111th Convention General Session”**, 8:30 – 10:30 a.m., (Mystic Lake Center – Isanati Room)
- **Key Note Speaker – Chad Greenway**, former linebacker for the Minnesota Vikings. Chad, with rural roots around Mount Vernon, South Dakota, was the only Iowa linebacker ever selected in the 1st round of the NFL draft. He spent 11 seasons as a Vikings outside linebacker and during that time, he was a 2-time Pro Bowl selection and a 4-time Walter Payton Man-of-the-Year award recipient, recognizing his work in the community through the Chad Greenway Lead The Way Foundation. The mission of the Foundation is to enrich the lives of individuals and families in need. Established in 2008, the primary focus of the Foundation is to provide seriously ill and physically challenged children throughout the Twin Cities with daily support and life-changing experiences. Chad is currently chair of the Super Bowl LII Host Committee. We encourage you to join us as Chad recounts his storied career in football, his stories growing up in rural South Dakota and his continued commitment to improving the lives of Minnesotans.
- **Reopening and conclusion of the Industry Trade Show** – 10:30 a.m. – 2:00 p.m. (lunch included, with special drawings being held near the conclusion of the show)
- **Convention adjourns**

MGFA Rail Loading Safety Seminar

The Minnesota Grain and Feed Association will be sponsoring a **Rail Loading Safety Seminar** on **Wednesday, November 29 at the Arrowwood Resort & Conference Center, Alexandria**. The seminar instructors will include Dave Nelson, MGFA Safety Program Director and Steven Fry, a trainer/instructor with Northern Plains Rail Services (NPRS). The NPRS is a customer-focused regional railroad that began in 1997, which not only operates a 350 mile network in North Dakota and western Minnesota but also provides a “one-stop shop” for third party rail services, including track construction, rail car repair, locomotive servicing and supply, industrial switching, technical training and consulting.

The seminar will cover how to assess and mitigate potential hazards, explain why railcar inspections are so important, go into detail on railcar air brakes, explain basic rules pertaining to handbrakes, cover the safe operation of a locomotive or rail car mover and safe switching operations. This seminar also offers your employees an opportunity to network with colleagues who are similarly involved with various tasks associated with loading rail cars. See the agenda [here](#).

The registration fee is \$125/person for MGFA members or \$140/person for non-members, which includes class materials, lunch, breaks and instructor time. The seminar will run from 8:45 a.m. to approximately 4:00 p.m. **For lodging**, you can call the Arrowwood Resort Hotel at 320-762-1124. We have a block of rooms reserved for \$89/night. Please request a reservation under "Minnesota Grain and Feed Association." Confirmations with directions will be sent prior to the event. Cancellations will be accepted through November 17. After that date, a full refund cannot be guaranteed. To register, [click here](#).

We want to encourage you to take advantage of this opportunity, to help educate your employees about the various hazards associated with loading railcars and smart ways to mitigate these hazards. By doing so, you are protecting your most important asset - your employees!

MGFA Seeking Candidates for Its Community Service Award to Be Bestowed at Annual Convention

The Minnesota Grain and Feed Association annually recognizes a member of the association who has demonstrated exceptional community service and leadership. Past recipients have provided good examples of community leadership and commitment, in the form of community, church and civic group volunteerism, serving as mayor, fire chief or county commissioner, serving on the school board, etc. If you have someone in mind that you think is deserving of this recognition, please let us know. This person could also be you (don't be bashful)! A brief application (resume) form would need to be completed, along with the submission of career and family photos. The candidate chosen will be recognized at the convention general session, in the Spring edition of the MGFA member magazine, on our website and in a post-convention media press release. Complimentary convention registration and lodging will also be extended to this deserving individual. Please give this request some serious consideration! You can view information on past recipients by going to www.mgfa.org > About Us > MGFA Community Service Award.

Governor Issues Emergency Order Exempting Industry From "Hours of Service" Limitations

As we previously reported, the Minnesota Grain and Feed Association joined with CHS, Inc., the Minnesota Propane Gas Assn., the Minnesota Petroleum Marketers Assn. and some key legislators, in asking the Governor to consider enacting an Emergency Executive Order exempting the transportation of propane, fuel oil, diesel fuel, gasoline and anhydrous ammonia from the DOT Hours of Service rules (Statute 221.0269) for the following reasons.

- The later than average harvest season coinciding with the normal cooler weather has put a great demand on the propane and liquid fuels supply infrastructure
- The farm community is now laying down anhydrous ammonia fertilizer, the transportation of which uses much of the same driver base as liquid fuels and propane.
- The weather forecast is for colder than average weather which will add stress to the problem.
- The supply demand on existing supply points is expected to exceed the infrastructures ability to maintain supply during this harvest season causing interruptions in supply.
- The late and prolonged harvest will cause long lines at terminals, and transporters will have to go to terminals further away from their market to load product. This will result in transport drivers being Out of Service due to hours of service regulations.
- Liquid fuel transporters are also experiencing terminal shortages and long lines. Propane and liquid fuels transporters utilize the same drivers contributing to the hour shortages.

Effective November 1 and lasting 30 days, the Governor declared that a state of emergency exists in Minnesota that requires relief from regulations incorporated in Minnesota Statutes 2006, section 221.0314 subdivision 9, pertaining to hours of service for carriers and drivers of commercial motor vehicles, while in the process of obtaining and delivering propane, anhydrous ammonia, diesel fuel, gasoline and heating oil ([Emergency Executive Order 17-11](#)).

OSHA's Electronic Recordkeeping Reporting Deadline Approaching

The OSHA electronic recordkeeping reporting (December 1) deadline is quickly approaching, for covered employers to electronically submit injury and illness records to OSHA.

The agency delayed its *Improve Tracking of Workplace Injuries and Illnesses* rule from the original July 1 deadline. Notably, the delay does not address one of the most controversial provisions of the electronic recordkeeping rule: The requirement that OSHA make employers' injury and illness data publicly available online.

OSHA's final rule on mandatory electronic reporting of occupational injuries-and-illness data updates OSHA recordkeeping obligations for employers that have at least 250 employees or have between 20 and 149 employees and are in what OSHA classifies a "high- risk" industry (an OSHA classification that includes grain, feed and processing facilities). Further information on the final rule can be found in a National Grain and Feed Association (NGFA) [guidance document](#). The NGFA strongly opposed this regulation when OSHA first proposed it under the Obama administration in November 2013, and is continuing to urge that it be rescinded.

ASLRRA Marks Fatality-free Year for Shortlines

The American Short Line and Regional Railroad Association marked a significant safety achievement as the industry's 603 short line railroads operated for a full year fatality-free. "Our shortline members focus every day on 'making it a safe one.' Safe operations are good for our customers, good for the public interest, good for our employees, and good for business," said Linda Bauer Darr, president of ASLRRA. "ASLRRA is proud to partner with shortlines, supporting a safety focus through compliance audits, training opportunities, the Jake Award program and committees that advance safety initiatives and technology that drives safety. All of us working in partnership can take pride in today's industry achievement." Shortlines operate 47,500 rail miles in 49 states, or 29 percent of freight rail. One in five cars are handled by member shortlines, providing the first or last mile of the journey.

The association put the mark in perspective, noting fatalities are on the rise in other transportation segments. The National Highway Traffic Safety Administration fatalities for freight transportation rose 5.4 percent in 2015 from 2014. In One-Rail's 2016 report, Rail Safety in the United States, per 10 billion ton-miles fatal accidents involving freight rail take place at less than one- third the rate of truck accidents (3.6 vs 11). Darr also credited the work of the Short Line Safety Institute (SLSI) and its influence on the industry.

MGFA Annual Directory Updates Sent to All Licensed "Locations"

In an effort to gather current information on all licensed grain elevator and feed mill "locations" in the State for the annual industry directory published by the MGFA since 1914, the MGFA is in the process of contacting (by mail) every licensed "location" in Minnesota, requesting you to provide us with current corrected and/or updated information covering each location you operate, i.e., current storage capacity, location manager, company merchandiser, general manager, rail loading capability, commodities handled, etc. Your help in ensuring the accuracy of this annual industry directory would certainly be appreciated. Thank you!

MGFA Joins Effort in Support of "Modernized" NAFTA

The Minnesota Grain and Feed Association (MGFA) joined with numerous industry associations and firms, respectfully requesting that our respective Governors let President Trump know that they support a modernized NAFTA that maintains and enhances food and agricultural trade between the U.S., Mexico, and Canada, and to encourage the administration not to withdraw from the accord because of the adverse impacts such an action would have.

The various agricultural associations, organizations and firms represent a diverse U.S. food and agricultural industry which supports more than 21 million jobs—including more manufacturing jobs than any other U.S. manufacturing sector—and accounts for 20 percent of the U.S. economy. Our industry is the economic backbone of rural America—stimulating employment all along the value chain. Minnesota agriculture alone accounts for 453,468 direct jobs, contributes over \$17 billion in direct wages, pays over \$22 billion in business taxes and accounts for \$2.62 billion in exports.

Under NAFTA, American food and agriculture exports to Canada and Mexico grew by 450 percent. In 2015, the United States held a 65 percent market share for agriculture products in the NAFTA region, and in 2016, we exported nearly \$43 billion worth of food and agriculture goods to Canada and Mexico, making our NAFTA partners the largest export consumers of U.S. agriculture. NAFTA also lowered the price of various inputs throughout the supply chain—benefitting U.S. consumers— and helped eliminate non-tariff barriers, making U.S. agriculture more competitive. Of course, NAFTA also has provided U.S. consumers year-round, reliable access to many forms of produce previously available only on a seasonal basis.

The adverse effects of a NAFTA withdrawal would be abrupt and particularly severe for America's farmers, food manufacturers, and agribusinesses. For instance, the world grain market currently is experiencing the greatest oversupply of production since the 1980s – with the U.S. facing increasing competition from foreign competitors – and net U.S. farm income has declined to half what it was just five years ago. 2018 would be an especially damaging time to lose America's two largest food and agriculture product markets.

Therefore, we urged our Governor and Ag Commissioner to support continued positive U.S. engagement in NAFTA negotiations, to advance America's economic interests by opening new export opportunities and by tackling non-tariff concerns our industries have identified. By building on the Administration's "do no harm" pledge toward food and agriculture trade within NAFTA renegotiation, modernization of trade relations with two of our largest export markets can and should be effectively advanced.

180 Farm Groups Urge Congress to Preserve Section 199 Deduction

A coalition of 180 farm and agribusiness groups has written House Speaker Paul Ryan, R-Wis., and House Minority Leader Nancy Pelosi, D-Calif., urging them to preserve the deduction for co-op production and marketing expenses known as Section 199 in the tax bill. The bill that the House Ways and Means Committee passed last week eliminates the deduction that co-ops pass along to their members. Section 199 is generally known as the Domestic Production Activities Deduction,

"In its current form, H.R. 1 repeals Section 199 with the assumption that cooperatives and their members would benefit from the proposed reduced corporate and individual tax rates," the farm leaders organized by the National Council of Farmer Cooperatives wrote. "However, the math does not add up for the farm sector. Farmer-owned cooperatives are not taxed like traditional corporations, so they cannot benefit from lower corporate rates like most other industries. Even more troubling is that for many farmers, changes to the individual tax code would not be enough to offset the loss of the Section 199 agriculture deductions."

"A proposal adopted during the House Ways and Means Committee mark-up would create a rate cut for the first \$75,000 of business income for certain taxpayers," the letter said. "While intended to compensate for the repeal of Section 199, initial assessments find that this proposal in no way compensates for the loss of the value and flexibility afforded by the Section 199 deduction, and adds needless complexity to the tax code."

The House is expected to vote on the tax bill on Thursday after the House Rules Committee issues a rule on Wednesday. The Senate Finance Committee is considering the Senate version of the bill this week.

Effort to Promote Better Rural Bridge Evaluation and Management

Farmers depend upon rural bridges to efficiently deliver their commodities to the local elevator or processing facility. The structural integrity of this infrastructure is essential to farmer profitability. Unfortunately, an increasing number of rural bridges in the state are load limited, requiring vehicles transporting agricultural commodities to detour – often at significant distances. This results in additional costs being inserted in the nation’s food delivery system and diminished profitability for farmers. While the need to maintain and upgrade rural bridges is on the increase, available resources to address this challenge remain insufficient.

In an effort to promote better evaluation and management of a state’s rural bridges, the Soy Transportation Coalition (*Established in 2007 and comprised of thirteen state soybean boards, the American Soybean Association, and the United Soybean Board*) is working with a variety of organizations in Michigan on an innovative project designed to demonstrate the effectiveness of load testing technology when assessing the condition of rural bridges.

The partnership employs the use of load testing sensors attached to the underside of the bridge. After the sensors are installed, test loads are driven over the 2 various segments of the bridge surface to determine a precise understanding of the capabilities of the bridge. The objective of load testing is to remove much of the subjectivity from the traditional visual inspection approach. The joint project began in the spring of 2017 and has thus far resulted in the testing of three bridges. Each bridge originally had been load limited due to a perceived concern via the traditional visual inspection approach. However, after evaluating the bridges via load testing sensors, it was determined that each bridge did not require a load limit and could safely accommodate all legal loads for trucks operating in Michigan. Additional rural bridges are to be evaluated in the upcoming months.

“Given that our children and grandchildren are using these rural bridges on a daily basis, safety is most important,” says Andy Welden, a soybean farmer from Jonesville, Michigan, and director on the Soy Transportation Coalition. “Promoting this technology helps develop a better understanding of which bridges truly need repairs and which ones can safely handle the trucks that transport the soybeans and grain produced in the state.

“If we have a rural bridge problem in this country, which we do, and if resources to address this problem are scarce, which they are, then we should do all we can to ensure we get the diagnosis correct,” explains Mike Steenhoek, executive director of the Soy Transportation Coalition. “This project is designed to increase clarity of the condition of rural bridges and enhance stewardship of the bridges themselves and scarce taxpayer dollars. It is our hope that other states throughout the country will emulate this innovative approach.”

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