



November 2018 Newsletter

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Make Plans to Attend The MGFA 112th Annual Convention & Industry Trade Show

The Minnesota Grain and Feed Association will be celebrating its 112th Annual Convention, Annual Meeting and Industry Trade Show on March 4-6, 2019 at the Double Tree by Hilton, Bloomington. The networking opportunities offered during this gathering are unparalleled, for the hundreds of grain elevator and feed mill managers, owners, employees, co-op farmer directors and wives in attendance at the “Grain Convention”. We want to encourage association members to seriously consider joining your colleagues at this premier annual event, which is held for the sole purpose of bringing together members, non-members and suppliers of the grain and feed industry in Minnesota. This years’ convention will feature a return to our traditional hospitality suite arrangements, over 80 industry specific exhibitors in the trade show, a high quality and diverse speaker program, a great opportunity to network (or commiserate) with a wide range of folks involved in this unique industry and a silent auction being held in support of the MGFA Scholarship Program. An updated convention agenda and hotel registration information will be coming your way soon so make your plans today and be sure to share information about the event with your board members, wives and key employees, who will all benefit by attending the Grain Convention!

Convention Speaker Focus - David Horsager, CEO of Trust Edge Leadership Institute - Session Description: *Trust is a fundamental, bottom line issue. Without it, leaders lose teams, salespeople lose sales, and organizations lose reputation, retention of good people, relationships and revenue. But with trust,*

individuals and organizations enjoy greater creativity, productivity, freedom and results. Through David's industry leading research The Trust Outlook™ and firsthand experience working with the world's highest performing organizations, David reveals how top leaders and organizations drive business results to become the most trusted in their industry. David, spoke at our 2013 convention in St. Cloud to a packed room and received rave reviews from members in attendance at his session. So, back by popular demand, David will be **providing the opening keynote presentation at 9:00 a.m. on Tuesday, March 5.** You won't want to miss this dynamic presentation!

MGFA Seeks Board Candidates

The 112th Annual Meeting of the Minnesota Grain and Feed Association will be held on Tuesday, March 5, at the Double Tree by Hilton, Bloomington. Three (3) MGFA Board of Director positions are up for election. One position is open while the other two will have current directors running for re-election. If you have a desire to be more directly involved with the Minnesota Grain and Feed Association and have an interest in providing meaningful leadership and guidance for this association, consider running for one of the positions on the Board. The association is divided into 4 districts (information can be found in the 2018 MGFA Directory, pages 8-10). District 1 (northwest) – Ransel Anderson from Alvarado is the current Farmer/Director from District 1 and is running for re-election to the Board. Candidates for this position are “required” to be a farmer/director of a cooperative elevator member firm with its main office in the district. District 3 (southwest) – this position is currently vacant. This position is open to any individual working for a member in good standing with its main office in the district. District 4 (southeast) – Gordy Elliott from Peterson is the current director in this position and is running for re-election to the Board. This position is open to any candidate working for a member in good standing, with its main office in the district. If you have an interest in running for one of these Board positions or want more information about the Board, please contact the MGFA office.

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

Agricultural Products Annual Permit “Clarification”

During the Minnesota Legislative session of 2015, there was legislation introduced that would have expanded the definitions of “raw and unprocessed agriculture commodities”, as it relates to six and seven axle vehicles. Minnesota Statute 169.865, which became law some 10 years ago, allows (with a permit) the transport of raw and unprocessed agricultural products up to 90,000 lbs. year round and up to 99,000 lbs. during winter weight increase season on 6 axles and up to 97,000 lbs. year round and up to 99,000 lbs. in winter months for a 7 axle vehicle. The 2015 legislation nearly made it through the entire legislative process but, unfortunately, the bill was lumped in with a larger more controversial omnibus bill, which in the end was vetoed by the Governor. Some members were under the impression that the legislation did, in fact, pass but that is not the case.

Another related question that came up recently had to do with whether there is an actual list of commodities that fall under the definition of raw and unprocessed? We had a chance to visit with Shelly Meyer, Supervisor of the MN/DOT Permitting Office. Apparently, there is not an actual list of commodities that would fall under the heading, "Raw and Unprocessed Agricultural Product". According to her, when the legislation passed back in 2007, the definitions for raw and unprocessed were unfortunately left vague and up to interpretation. The legislation also did not include the authority for MN/DOT to promulgate any rules, which could have been written to provide some clarity as to what should be included and further clarification about how to enforce this law. She also shared a concern that if a list did exist, there would likely be problems determining what should or should not be on the list, who would make that determination, etc.

We spoke with Captain Olsen with the State Patrol, who told me that the uncertainty surrounding this law is why he and his officers ask a series of questions of the driver when stopped and based on that exchange, make a determination if something is eligible or not. They too have no one to consult for a determination other than the vague definitions contained in the law > **Raw – An agricultural product that is in its raw or natural state > Unprocessed – An agricultural product that has not gone through a process or processes designed to change a product into a new or different product. Examples of allowable commodities that were stated are: Harvested crops, ground corn, livestock, oat hulls, milk or manure.** According to this, soybean meal and DDGs would not be considered but we wonder how they would respond to Monocalcium phosphate (technically a made product) or fertilizers like potash and urea?? We are currently assessing the potential to take another swing at an expansion of the definition and for more clarity about the law and its enforcement.

MGFA Meets With MDA To Discuss Indemnity Fund/Risk Mitigation For Minnesota Producers

Recent fallout from the highly unusual Ashby Farmers' Cooperative Elevator failure, coupled with recent memories of an elevator failure in Porter MN, has prompted the Minnesota Department of Agriculture to create a Grain Advisory Group, for the purpose of seriously considering measures to provide better protection for producers, specifically for those selling grain by contract which is not covered by a grain warehouse or grain buyer bond. So far, the emphasis has been on pursuing the implementation of a grain indemnity fund and the possibility of increasing grain bond requirements for grain buyers and storage facilities. This MDA "Grain Advisory Group", has brought together our association, other agricultural organizations and a few key legislators, to discuss the pro's and con's of a fund and other risk mitigation options, such as, the availability of private insurance to cover contracts or strengthening financial requirements for grain buyers. The Group has met twice, with another meeting planned for next month. We'd like to thank the several members who chose to participate by conference call in on our last meeting and we will certainly let you know when the next meeting gets scheduled. Stay tuned!

Six Incoming Farm-State Freshmen to Watch on Ag Issues (three from Minnesota)

By Ryan McCrimmon, POLITICO

According to a story out today by the widely respected DC political analysis firm POLITICO, newly elected representatives from Midwestern states could play a part in reshaping the House Agriculture Committee when a Democrat-run House is seated next year.

Farm-district Democrats will be looking to advance priorities on issues like health access in rural states, broadband development and other infrastructure needs — potential areas of bipartisan cooperation in a divided Congress. On both sides of the aisle, the incoming class of lawmakers from agricultural regions could be confronted with the question of how to handle the continued effects of President Donald Trump's trade war on farmers and ranchers if quick agreements to lift retaliatory duties are not secured.

Overall, the shifting House landscape is likely to have less impact on rural and agricultural issues than other policy areas. But the incoming Midwestern members could offer clues about how Republicans and Democrats are positioning themselves on heartland priorities ahead of the next round of elections in 2020.

Farm-state Democrats will have a better chance of getting a seat on House Agriculture than Republican freshmen because Republicans are going to lose seats on each committee when the proportions on the various committees are determined, which might not be until December or January. (There are currently 26 Republicans and 20 Democrats on the panel.)

Here are six incoming lawmakers to keep an eye on:

Cindy Axne (D-Iowa)

Axne defeated Rep. David Young (R-Iowa) on Tuesday as Democrats flipped two of Iowa's three GOP-held House seats. She has said she wants to join the House Agriculture Committee to boost the farm state's influence on agricultural issues. (Republican Steve King, who won reelection last week, is now the only Iowa representative on the panel.) She frequently criticized Trump's trade war, as well as lawmakers' failure to pass a new farm bill.

Jim Hagedorn (R-Minn.)

Hagedorn won a close race for the open Minnesota seat currently held by Democrat Tim Walz, who was elected governor. He's hoping to take Walz's seat on House Agriculture — which may not be so easy, as the numbers crunch could lead to some GOP incumbents on the panel being sent to other committees. During the campaign, Hagedorn lined up endorsements from former Agriculture Chairman Frank Lucas (R-Okla.) and current Vice Chairman G.T. Thompson (R-Pa.). His agricultural agenda appears largely focused on slashing regulations that affect farmers, like the Obama administration's Waters of the United States rule. "It's one of the biggest regulatory issues in agriculture," Hagedorn said of WOTUS, according to the online news site MinnPost. "I bring it up all the time."

While the regulation is tied up in the courts, the EPA this month is expected to propose a WOTUS replacement that's less restrictive than the Obama-era rule — setting up a Capitol Hill battle next year on the controversial, environmentally focused regulation.

Angie Craig (D-Minn.)

Craig defeated Republican Jason Lewis in the Twin Cities-area district. The granddaughter of bean farmers, Craig has also expressed interest in joining House Agriculture, according to ranking member Collin Peterson (D-Minn.), who is widely expected to become chairman again in 2019. Peterson told reporters Wednesday that he hasn't spoken to Craig about joining the panel but was impressed by the ag policy chops she displayed at Minnesota's Farmfest candidate forum in August. "Of all the candidates there, she was the best prepared, the most knowledgeable of anybody on that panel," he said. Her policy agenda includes improving broadband, rail transport and access to medical services in rural areas. Craig said she wants to help farmers and ranchers export their goods to Cuba and other new markets, and called for a new farm bill with strong crop insurance provisions and "adequate funding" for the Supplemental Nutrition Assistance Program.

"If we make sure that fresh food is covered under SNAP, that is a win-win," Craig wrote on her campaign website. "Farmers can sell more to people here at home and SNAP recipients have healthier food." Health advocates, anti-hunger groups and lawmakers have long debated the idea of restricting junk food purchases under SNAP or adding incentives for healthier food choices.

Pete Stauber (R-Minn.)

Like Hagedorn, Stauber is also filling the open House seat of a Democrat on the Agriculture Committee (retiring Rep. Rick Nolan). Stauber's campaign was backed by the Minnesota Farm Bureau, and he also ran on an anti-regulatory agriculture agenda. "Minnesota farmers are frustrated with Washington's overreach into their lives and senseless regulation that threatens their livelihood," Stauber said in September. Trump's steel and aluminum tariffs are more popular in Stauber's northern Minnesota district, where metals mining is a dominant industry. But Stauber, a former minor league hockey player and police officer, has also expressed concern about how retaliatory duties have affected Minnesota agriculture. The president's steel and aluminum tariffs and retaliatory duties from China and other nations have bruised farmers by depressing commodity prices and driving up chemical and equipment costs.

Abby Finkenauer (D-Iowa)

The 29-year-old state representative defeated GOP Rep. Rod Blum, whom she criticized for not pushing back against Trump's trade policies. "Tariffs should be fair, but they shouldn't make things harder. Farms are paying the price," Finkenauer said in an October campaign ad featuring her sister and brother-in-law, who are corn and soybean farmers. Finkenauer laid out an agriculture agenda that includes maintaining crop insurance, defending agriculture programs from budget cuts, and boosting mental health care for farm communities.

Dusty Johnson (R-S.D.)

Johnson won the open at-large seat being vacated by Republican Kristi Noem, who was elected South Dakota governor on Tuesday. He also wants on the House Agriculture panel and has said passing a new farm bill is his top priority in Congress, assuming the current Congress doesn't get the job done during the lame-duck session. Johnson said a new short-term conservation program in the Senate bill, S. 3042 (115), from Sen. John Thune (R-S.D.), known as the Soil Health and Income Protection Program, would be "great news for South Dakota producers," according to the Tri-State Neighbor.

Give to the Max Day, November 15th!

Give to the Max Day is a great opportunity to support Minnesota FFA members by donating to the foundation! The more donations made, the better chance of the MN FFA Foundation winning a golden ticket, worth \$500, which is being awarded by GiveMN to one organization every 10 minutes! Donate at the link below! Consider covering the processing fees at checkout so 100% of your donation goes to the foundation! <https://www.givemn.org/organization/Mnffaoundation>

Farmers Explore Innovative Option for Containerized Shipping on Inland Waterways

By: Soy Transportation Coalition

In the midst of a dynamic and uncertain global marketplace, it is incumbent upon farmers to explore any innovation that offers the potential for transporting soybeans and other agricultural products in a more reliable, cost-effective, efficient, and secure manner. The nation's multi-modal transportation system stands between production and ultimate consumption. Depending upon its design and condition, it can either be a facilitator of farmer profitability or an obstacle to it. A new, innovative maritime vessel offers the potential to transport soybeans and other agricultural products via shipping containers along the nation's inland waterway system to export facilities near the Gulf of Mexico. If realized, this new supply chain will enable farmers and local elevators to more directly access international customers.

American Patriot Holdings, LLC. (APH) has developed a patented vessel design that would enable the transport of shipping containers throughout the nation's inland waterway system. The company's larger, "Liner" vessels will be able to transport 2,375 twenty-foot length containers (TEUs) in a liner service between Plaquemines Port Harbor and Terminal District (PPHTD) – the port complex along the lower Mississippi River closest to the Gulf of Mexico – and both Memphis and St. Louis. Expected roundtrip service between PPHTD and Memphis is seven days and ten days between PPHTD and St. Louis. The vessels will be able to travel at 13 miles per hour with virtually no wake – mitigating shoreline erosion throughout the inland waterway system. A traditional barge flotilla will travel up river between four and five miles per hour.

In addition to the liner service to Memphis and St. Louis, APH has designed a smaller, "Hybrid" vessel capable of transiting the lock and dam portion of the inland waterway system. These vessels – able to transport approximately 1,700 TEUs – will provide access to regions and communities located along the Mississippi, Illinois, Ohio, and Arkansas rivers. Future service for areas along the upper Mississippi River is currently under evaluation.

In an effort to determine the economic feasibility of exporting soybeans and other agricultural products via this new container on vessel approach, the Soy Transportation Coalition (STC) released a report, performed by Informa Economics IEG, comparing the cost, speed, and quality preservation of this potential alternative

to the currently utilized options of shipping containers via rail to the West Coast and bulk barge transportation to Mississippi Gulf export 2

terminals. The analysis builds upon earlier, foundational research commissioned by the Illinois Soybean Association highlighting the viability of an all-water routing of containerized agricultural products.

“It should be the goal of the Soy Transportation Coalition to explore opportunities to remove logistical steps between the farmers growing soybeans and the ultimate customers purchasing them,” says Gerry Hayden, a soybean farmer from Calhoun, Kentucky, and chairman of the STC. “Every step that is removed allows farmers to realize a higher value for what is produced. We are therefore excited to explore this new approach for transporting containers along our nation’s inland waterway system.”

The research concluded that transporting soybeans from St. Louis via bulk barge to an ocean vessel at a Mississippi Gulf export terminal and onto a customer in Shanghai, China, would cost \$79.80 per metric ton. Loading soybeans into a container near St. Louis, transporting it via rail to the West Coast, and finally an ocean vessel journey to Shanghai would cost \$197.87 per metric ton. The proposed APH Liner service would transport soybeans from St. Louis via container to an ocean vessel at PPHTD and onto a customer in Shanghai at a cost of \$108.88 per metric ton – a 45 percent cost savings compared to containerized shipping through the West Coast.

The speed of the APH vessel will enable shipments of soybeans and other agricultural products to reach the Mississippi Gulf export terminal six days faster than bulk barge shipments. Given the increased congestion on the West Coast, the APH vessel will be able to depart the export facility at PPHTD 14 days faster than containerized shipments via rail to West Coast facilities. Combining the transit times of the three options both to the export facilities and from the export facilities to a customer in Shanghai, the APH option will enjoy a 14 day advantage over the bulk barge option and will be six days faster than containerized shipping via the West Coast.

“Our research highlights this innovative approach can provide a cost-effective, fast, and secure transportation option to our international customers,” explains Mike Steenhoek, executive director of the Soy Transportation Coalition. “As we interact with our international customers, we increasingly hear a desire for being able to source soybeans and agricultural products more directly from more localized elevators and even specific farmers. Our customers also routinely express a desire for greater quality preservation and smaller shipping quantities that conform better with the scale of their specific operations. Exploring this new model of containerized shipping via the inland waterway system is a response to this growing customer sentiment. We look forward to utilizing our research to further introduce farmers and agricultural shippers to this innovative opportunity. Ultimately, we hope to see this approach become a reality to the benefit of America’s farmers.”

The Soy Transportation Coalition will be partnering with APH and PPHTD in establishing working groups among communities and regions along the inland waterway system that are well positioned to benefit from this potentially new supply chain. To inquire further about the working groups, contact Mike Steenhoek at 515-727-0665 or msteenhoek@soytransportation.org.

>The full report can be accessed at www.soytransportation.org. *Established in 2007, the Soy Transportation Coalition is comprised of thirteen state soybean boards, the American Soybean Association, and the United Soybean Board. The goal of the organization is to position the soybean industry to benefit from a transportation system that delivers cost effective, reliable, and competitive service.*

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