



## December 2020 Newsletter

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**Please note our new address & phone / fax numbers:**

**Minnesota Grain & Feed Association  
1407 1<sup>st</sup> St. NE  
New Prague, MN 56071  
Phone: 952-758-3999  
Fax: 952-758-3997**

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### Member News

#### **Crystal Valley Co-op Announces New Feed Mill to be Built in Trimont, MN**

**Mankato, MN** – Crystal Valley, a leading farm supply and grain marketing cooperative in southern Minnesota and northern Iowa, has announced plans to build a new feed mill in Trimont, MN. Construction is set to begin in the spring of 2021, with completion scheduled for the fall of 2022.

This new mill will be a concrete, slip-formed facility with production capacity in excess of 500,000 tons per year. It will feature a nine-ton mixer with approximately 2,000 tons of ingredient storage and 1700 tons of finished feed load-out space.

Crystal Valley's Feed Division has seen steady volume growth over the last decade, which is beginning to challenge the production capacity of its current four mills located in Jackson, Janesville, La Salle, and Vernon

Center, MN.

“We believe we can be much more efficient in our feed manufacturing at Crystal Valley by operating from an upgraded mill in Vernon Center and a new mill in Trimont versus continuing to utilize all four mills that we have in our system today.” says Roger Kienholz, CEO, “This will also enable us to keep up with the increasing feed demands of our growing pork-producing customers.”

In June of 2020, an expansion of Crystal Valley’s newest mill in Vernon Center (built in 2006) began. This upgrade which includes additional ingredient storage, load-out bins, and roller-milling capacity is scheduled for completion in January of 2021.

Bob Raue, VP of Feed, added, “This new mill will provide a safer work environment for our employees, utilizing new automation and technology in a facility that meets all industry standards for compliance with OSHA and FSMA.”

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## Job Opportunity

All American Co-op in Stewartville has a job opening for a grain department manager.

The grain department manager is responsible for the origination, purchase, storage, handling, marketing and accounting of all grain transactions in a manner that will optimize the cooperative’s market share and savings, improve the cooperative’s efficiency, help achieve the cooperative’s mission and goals, and result in outstanding customer service. This position will supervise operations and staff for the multi-site grain department.

To view the full job description click [here](#).

Any questions regarding the position or submission of resumes and cover letters should be directed to Glenn Lutteke, General Manager, All American Co-op at [glutteke@allamericancoop.com](mailto:glutteke@allamericancoop.com).

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## MGFA Sustaining Sponsor Spotlight – CHS, Inc

At CHS, their purpose is to create connections that empower agriculture. CHS is a diversified global agribusiness cooperative owned by farmers and local cooperatives across the United States. First organized in 1929, CHS employs more than 11,000 dedicated people around the globe who provide their owners with a strong, efficient supply chain, global market access and inputs.



As a farmer-owned cooperative, CHS connects growers to consumers around the world. They purchase grain from a network of cooperatives and farmer-owners and match it with the needs of domestic and global food and feed customers in 65 countries. CHS also manufactures and distributes a variety of Cenex® brand energy products and offers crop inputs through wholesale and retail operations in more than 450 communities in the United States to help farmers grow healthy, profitable crops.

***The MGFA greatly appreciates the sponsorship of CHS, Inc. and all of our Sustaining Sponsors for your support of the various programs and services provided by the Association. Thank You!***

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## Now Is a Good Time to Think About Inspections

While the ongoing coronavirus pandemic has brought a screeching halt to most of the Food and Drug

Administration's routine inspection activity, now is a good time to think about and prepare for your next inspection when they resume. The FDA has not yet ramped up to its normal level of Food Safety Modernization Act (FSMA) inspections, but has set an aggressive plan for fiscal year 2021.

The FDA set a goal of completing 754 Current Good Manufacturing Practice (CGMP) inspections next year. It plans for the states with contracts to complete 684 of the CGMP inspections while the agency plans on completing 70. The 2021 goal for Hazard Analysis/Preventive Controls (HA/PC) inspections is 560. Since there are not as many states that have contracts with the FDA to conduct the HA/PC inspections, the FDA plans on completing 385, with states completing 175. The plan is for 30 of the HA/PC inspections to be conducted at foreign companies. The agency also stated that its goal for Foreign Supplier Verification Program inspections is 100 and Sanitary Transportation is 85 or less, respectively.

A CGMP inspection is primarily a walk-through of your facility with the inspector observing the compliance to subpart B of the animal food regulation ([21 CFR part 507](#)). A good way to prepare for a CGMP inspection is to review [FDA Guidance for Industry #235](#). The guidance is a good, practical explanation of the requirements covered in subpart B. One of the most helpful parts of the guidance is the self-assessment tool in Appendix B. This tool provides an excellent checklist to help facilities assess their compliance to the CGMP requirements.

A HA/PC inspection is a more comprehensive review of a facility's compliance to the remaining parts of the FSMA animal food regulation. The food safety plan, including a hazard analysis, will be thoroughly reviewed. Be prepared to explain your plan as well as provide proof that it is being followed. If you have any preventive controls in your plan, you should be prepared to show the required supporting records. If you are using facility standard operation procedures or other prerequisite programs as justification for not needing a preventive control, you may be asked to demonstrate how these procedures and programs work. This may necessitate showing some documents and records that are outside of the food safety plan. Be prepared to demonstrate how your food safety system prevents the hazards identified in your hazard analysis from making it through to your finished products.

Now is also a good time to review your company policies and procedures that pertain to inspections. You should always check the inspector's credentials and review the FDA Form 482 – Notice of Inspection. Before beginning, be sure you understand the full scope of the inspection. Know what documents and records that you are allowed to show the inspector. Be familiar with your company policies on copying records and taking photos. You should have a thorough understanding of the requirements of the regulations and how your food safety plan meets those requirements. Do not be hesitant to explain your understanding of the regulations and even suggest reading them together if the inspector has a different interpretation. The AFIA has materials that can assist members in these areas – reach out if you need a copy.

Don't look at an inspection as a bad thing. Look at it as an opportunity to learn and share your facility's food safety story. Your inspection will go smoother if you are cordial, respectful and resist getting defensive. Most inspectors have a true interest in their jobs and can be very helpful if you listen with an open mind. When you are properly prepared, an inspection is your time to shine by showing how well your food safety system is working.

*Source: AFIA*

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## **Growth in U.S. Grain Storage Capacity is Slowing**

An article on U.S. grain storage capacity published Nov. 25 in *farmdoc daily*, a publication of the University of Illinois' Agricultural Economics Department, analyzes grain storage capacity between 1988 and 2019 and reveals the following four trends:

- Grain storage capacity in the United States consistently increased for the last 20 years and the growth has been proportional to increases in crop production.

- Off-farm (i.e., commercial) storage capacity has grown faster than on-farm capacity in the 2000s and 2010s, but that growth is slowing because of uncertain benefits. The significant investments in off-farm storage suggest that grain merchants who own and operate that infrastructure will remain an important part of grain supply chains because they play an important role in mediating commodity transformations in time, space and form.

The article notes that off-farm capacity has grown faster than on-farm capacity in all regions. Off-farm capacity was 46 percent of total capacity in 2019, up from 43 percent in 2000. The researchers said while this change in off-farm share is not extreme, it contradicts the narrative of a growing role for farmers in the grain storage and handling activity traditionally performed by grain merchant firms.

- Storage capacity utilization increased in the 1990s and has been relatively flat since then. Low margins may encourage increases in capacity utilization.
- Corn consistently occupies most U.S. grain storage capacity by volume, but other commodities make significant use of storage infrastructure in specific times-of-year, or when grain movement is disrupted and demand for storage increases.

The researchers said U.S. grain storage capacity bottomed out at about 19 billion bushels in the late 1990s after years of decline. The researchers pointed out that before the 1990s, U.S. government agricultural policy encouraged much higher levels of grain stocks and consequently much more grain storage infrastructure was built. Even though crop production increased in the 1990s, storage capacity did not since U.S. government agricultural policy was no longer encouraging grain storage reserves.

Storage capacity growth since 2000 has been related closely to increasing crop production and storage capacity reached approximately 25 billion bushels in 2019. During the last 20 years, crop production has increased an average of 339 million bushels annually while average annual grain storage capacity increases have been 349 million bushels.

The researchers found that storage peak utilization grew throughout the 1990s by a total of approximately 10 percentage points and maintained the higher utilization in the 2000s and 2010s. Over the study period, the researchers also found that storage utilization decreased in the summer and increased in the fall, attributable to noteworthy changes in summer crop production (wheat) relative to fall crop production (corn and soybeans).

*Source: NGFA Newsletter*

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## **AFIA Awarded Federal Funding to Support Global Market Access**

The U.S. Department of Agriculture's Foreign Agricultural Service (FAS) [awarded](#) the American Feed Industry Association (AFIA) \$200,000 for 2021 through the [Market Access Program](#) (MAP) to support increasing access to U.S. animal food products abroad. The move grants the trade association "cooperator" status for the first time, providing the AFIA the ability to independently manage the U.S. government funds starting on Jan. 1, 2021.

"We are appreciative of the USDA's recognition of the AFIA as the industry leader in animal feed, feed ingredients and pet food trade," said AFIA's President and CEO Constance Cullman. "The U.S. animal food industry has solutions that can help countries boost the efficiency and quality of their animal production practices and pet food diets in a sustainable way. Unfortunately, regulatory and policy constraints continue to block these products from competing fairly in many foreign markets. The AFIA looks forward to partnering with the USDA to address these trade barriers."

With the newly granted USDA FAS MAP funds, the AFIA will be able to enhance efforts to grow the U.S. animal food industry's \$12.6 billion export market through continued international stakeholder engagement and education, participation in global standard-setting initiatives and efforts that ensure U.S. trade

agreements realize their full potential.

Through the MAP, the FAS partners with trade associations, such as the AFIA, and others to share the costs of promoting U.S. agricultural products and commodities abroad to build and expand commercial export markets. The AFIA has received access to MAP funds through a third-party cooperator for the past two years to cover programs related to market access in China as well as to address international standards development.

The new funding will allow the AFIA's International Trade Committee to expand U.S. animal food industry priorities, such as supporting work on the continued implementation of the U.S.-China phase one trade agreement and educating foreign end-users and regulators about the efficacy of regulations and the advantages (e.g., utility, safety and quality) that U.S. animal food products bring to animal production and balanced pet diets.

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**The MGFA office will be closed December 24 & 25 for Christmas and December 31 & January 1 for New Year's.**

**We wish everyone a safe & healthy  
Merry Christmas and Happy New Year!**



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