



August 2023

MGFA Newsletter



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Note From MGFA Executive Director Laura Lemke

The Minnesota Department of Agriculture has scheduled a meeting of the Grain Advisory Group for September 12 to discuss the recent legislative changes repealing the grain bond system for state licensed grain buyers & warehouses and financial statement reporting. As I've shared before, MGFA's intent is to lobby to reinstate grain bonding to protect the integrity of the industry as a whole. As for the statutorily required financial statement reporting, in the last three years we've heard many small operators complain about the burden of getting the reviewed/audited financial statements, not just from a cost perspective, but also the challenge of finding qualified CPA firms familiar with grain operations able to perform the review/audit. MGFA would like to have a deeper discussion with the committee on the need for such reporting, especially if grain bonding was reinstated.

If any members have input they would like to share on either of these topics, please call me at the office (952-758-9266) or shoot me an email at laura@mgfa.org. Thanks!



Member News



Bushel Secures \$26 Million to Accelerate Digitization in Agriculture

Bushel, the leading digital platform connecting farmers and agribusinesses, successfully closed an oversubscribed \$26 million funding round led by The Banc Funds Company with further support from new and existing investors. In addition to The Banc Funds Company, other investors in this round included 50 South Capital, The Andersons, Inc., Cargill, Germin8, Lewis & Clark AgriFood, The Scoular Company, and Conti Ventures (an investment group within Continental Grain Company).

Bushel is an independently-owned software company that develops digital tools for farmers and agribusinesses in the agricultural supply chain. Bushel's software digitizes, permissions, and accelerates the flow of information, transactions, and payments through secure mobile and desktop applications.

This investment will support Bushel's continued development of software products and features that create value for farmers, grain buyers, ag retailers, protein producers, and food companies. Some of the company's key initiatives include:

- Acceleration of digital payment adoption, including streamlining money movement through settlements, ag lending, invoice payments, and other financial activities.
- Elimination of manual data entry in Bushel Farm, a next-generation farm management software (FMS) focused on profitability and data-driven decisions for farm operations.
- Value creation through integrations and connections among participants in the Bushel Network, a collection of more than 100,000 farmers and 2,600 grain and ag retail locations. Today, Bushel's platform securely manages account-related data for more than 45% of farm-originated grain in the United States and Canada annually, an estimated 10 billion bushels.

"Bushel's connectivity with thousands of farmers, grain elevators, and ag retailers presents a unique opportunity to embed digital payment functionality across the granular, paper-based, agricultural industry. As the agricultural industry modernizes payments, we believe the financial opportunities are substantial, and we are proud to partner with such a dynamic and innovative team as they continue to strengthen the company's product offerings," said Christopher Hopkins, Fintech Portfolio Manager at The Banc Funds Company. Christopher also joined Bushel's board of directors.

"We appreciate the strong support of our investors, who recognize the value Bushel is bringing to agriculture," Jake Joraanstad, Bushel CEO said. "With this funding, we will strategically allocate capital to maximize our growth and success, further enhancing our product offerings and delivering even greater value to our customers."

Creating value through the Bushel Network

Since its previous funding round in April 2021, Bushel introduced additional industry-leading software products and services that address inefficiencies, drive increased revenue through more grain procurement offers, reduce costs from outdated payment methods, and enhance the customer experience throughout the agricultural supply chain.

- **Launched a digital payments network:** Bushel Wallet facilitates fast and secure payments between agribusinesses and farmers, leading the modernization of the industry. According to the 2023 Bushel State of Farm Report, 80% of grain payments are still paid through paper check.
- **Launched a next-generation farm management software (FMS):** Following the acquisition of FarmLogs in 2021, Bushel Farm is now the only FMS that connects to grain sales data, creating fast, accurate profitability insights.
- **Improved offer management in agriculture:** Grain buyers in the Bushel Network receive an average of 42% of grain sale offers from farmers placed through mobile devices. Bushel usage statistics also show higher fill rates for offers submitted via mobile devices than those submitted to grain buyers over the phone or in-person.
- **Expanded agribusiness and farmer customer base:** Bushel has seen significant adoption of its services by leading companies in the agriculture sector, as well as individual farm operations. Enterprise customers such as Scoular, The Andersons Inc., and ADM are leveraging the Bushel platform to enhance productivity and efficiency.
- **Continued commitment to security:** Bushel is SOC 2 Type II compliant, reaffirming its dedication to safeguarding confidential information and customer data in agriculture.

“As agriculture continues its march towards a digital revolution, Bushel is committed for the long haul, serving the ongoing and ever-changing needs of the entire supply chain,” Bushel President Ryan Raguse said.

Source: Crop Life



Low Mississippi River Levels Back Again

Mississippi River levels remain low for the second consecutive year, which could affect grain shipments in the new crop marketing year.

Mark Fuchs, a senior service hydrologist with the National Weather Service in St. Louis, says August rains helped raise river levels, but there’s no meaningful rain in the forecast to continue that trend.



“Our forecast in the next few weeks has the river levels going as low as -4. That’s low. Anytime of the year, that’s low.”

And meteorologist Anna Wolverton says via Twitter navigation on the Mississippi River is affected at -2 feet. Record low Mississippi River levels were a part of the story for ag exports last year and Soy Transportation Coalition Executive Director Mike Steenhoek says he's concerned that story will continue this fall.

<https://brownfieldagnews.com/news/low-mississippi-river-levels-back-again/>

Source: *Brownfield Ag News*



EPA Releases Revised Waters of the United States Rule

On Tuesday the Environmental Protection Agency released its latest Waters of the United States rule. The long-anticipated announcement comes after the Supreme Court's May ruling in the *Sackett v. EPA* case overturned portions of President Biden's controversial rule.

Officials with EPA and the U.S. Army say their agencies are committed to following the law and implementing the Clean Water Act to protect the nation's waters from pollution and degradation. They believe the latest rule should provide the clarity needed to advance those goals, allowing them to move forward with infrastructure projects, economic opportunities and agricultural activities.

"While I am disappointed by [the Supreme Court's decision](#) in the Sackett case, EPA and Army have an obligation to apply this decision alongside our state co-regulators, tribes, and partners," EPA administrator Michael Regan says. "We've moved quickly to finalize amendments to the definition of 'Waters of the United States' to provide a clear path forward that adheres to the Supreme Court's ruling. EPA will never waver from our responsibility to ensure clean water for all. Moving forward, we will do everything we can with our existing authorities and resources to help communities, states, and tribes protect the clean water upon which we all depend."

At the core of the WOTUS rule controversy is the EPA's authority to regulate small bodies of water, including those on private land. The Clean Water Act authorizes EPA to regulate the nation's navigable waterways. Under the previous WOTUS rule issued by President Biden at the end of 2022, that included bodies of water with a "significant nexus" to navigable waterways. The Supreme Court ruled that definition was too broad, insisting EPA could only regulate bodies of water with a direct connection to navigable waters.

The [new EPA guidelines](#) remove the significant nexus test from being considered when determining which waters are federally protected. It also clarifies interstate wetlands do not automatically qualify as interstate waters subject to the Clean Water Act. Language regarding federally protected "additional waters" has also been revised to comply with the high court.

"We have worked with EPA to expeditiously develop a rule to incorporate changes required as a result of the Supreme Court's decision in Sackett," Michael Connor, assistant secretary of the Army for Civil Works, says. "With this final rule, the Corps can resume issuing approved jurisdictional determinations that were paused in light of the Sackett decision. Moving forward, the Corps will continue to protect and restore the nation's waters in support of jobs and healthy communities."

Ag groups not sold yet

In a statement release shortly after the announcement, National Cattlemen's Beef Association chief counsel Mary-Thomas Hart says the new WOTUS rule is an important step toward bring EPA more in line with the Supreme Court ruling. She added that NCBA will continue analyzing this latest development to ensure cattle producers are protected.

The American Farm Bureau Federation has apparently done all the analysis it needs. AFBF President Zippy Duvall says the rule is still unfair to farmers. While pleased that the significant nexus language has been eliminated, he said EPA ignored other clear concerns raised by the Supreme Court justices as well as 26 states that filed lawsuits to nullify the previous WOTUS rule.

"EPA had a golden opportunity to write a Waters of the U.S. rule that's fair to farmers and stands the test of time, but instead chose to continue government overreach and revise only a small slice of the rule that was rejected by the Supreme Court," Duvall says. "Farmers and ranchers share the goal of protecting the resources they're entrusted with. They deserve a rule that respects farmers as partners in that effort."

EPA will conduct a public [webinar on Sept. 12](#) to offer additional updates on the new rule. The agency also plans to host a series of listening sessions this fall that will include co-regulators and stakeholders.

Source: Feedstuffs



Canada Joins US in Trade Dispute Against Mexico Over GMO Corn

Mexico announced plans in 2020 to ban all imports of biotech corn, though earlier this year it walked back a deadline to restrict its use in animal feed. The country maintains that genetically modified corn can adversely affect human health and has convened a working group to study the issue.

The current policy primarily concerns white corn, which makes up [around 5% of Mexico's corn imports](#) and is used to make tortillas and dough. The prospect of an eventual ban on yellow corn, which is what's primarily produced in the U.S. and Canada, has growers concerned about their ability to access a major export market.

"Mexico's policies on biotechnology are not based on sound science and are ultimately designed to block U.S. corn exports," Ryan LeGrand, president and CEO of the U.S. Grains Council, said in a statement [following the formation of a dispute panel](#). "We have had a long and productive relationship with Mexico. It is our number one market for U.S. corn, and we support this action because it will likely be the most expedient way to ensure that positive relationship continues."

Mexico will likely need [to increase corn imports](#) to meet increasing demand for starch and animal feed production, the U.S. Department of Agriculture forecasted earlier this summer. The country has taken measures to stabilize its own production, including the implementation of a temporary tariff on exports that expired at the end of June.

Source: Agriculture Dive



Congressman Finstad Visits Harsco Rail Engineering Center



FAIRMONT, Minn. – Congressman Brad Finstad visited Harsco Rail and spoke with VP David Dunlap about rail safety and maintenance.

Last Thursday, Congressman Brad Finstad visited Harsco Rail’s Engineering Center in Fairmont, according to the [Fairmont Sentinel](#). Congressman Finstad shared that his family comes from a farm background and recognized the rail industry in the area, specifically that there were “a lot of rail miles.” In response, Vice President of Harsco’s parent company, Global Government Relations at Enviri, David Dunlap echoed Finstad’s sentiments and said that “there’s a lot of stuff that happens behind the scenes.”

Congressman Finstad learned that the Fairmont location opened in the early part of the 20th century as Fairmont Railway Motors. Currently, it houses around 40 employees with another 10 to 20 employees in the future once “there’s more demand for product,” according to Director of Harsco Rail in Fairmont, Bo Phillips.

https://www.rtands.com/supplier-news/congressman-finstad-visits-harsco-rail-engineering-center/?utm_source=&utm_medium=email&utm_campaign=41226

Source: RT & S



Canadian Pacific Kansas City Files Complaint Against Union Pacific

Union Pacific has asked federal regulators to toss out a complaint that Canadian Pacific Kansas City filed this month that would allow it to route grain trains to the ports of Houston and Galveston using trackage rights over UP south of Beaumont, Texas.



CPKC told the Surface Transportation Board that UP is blocking use of Kansas City Southern trackage and haulage rights that date back to UP’s 1988 acquisition of the Missouri-Kansas-Texas Railroad.

But UP, in a filing this week, says the trackage rights in question are much more narrow in scope. When UP acquired the Katy, the Interstate Commerce Commission required UP to grant another

railroad rights to operate in the “Omaha/Council Bluffs-Kansas City corridor, with a further ability to move the grain traffic originating in this area to the Gulf.”

Thanks to the Canadian Pacific-Kansas City Southern merger, CPKC is seeking to move grain from the Upper Midwest to the Gulf Coast ports via UP south of Beaumont.

Union Pacific says it complied with the ICC’s merger condition “by granting KCS ‘North End’ rights — that is, rights to operate in the Omaha/Council Bluff-Kansas City corridor — with ancillary ‘South End’ rights ‘between Beaumont and Houston/Galveston’ that KCS needed ‘in order to provide a fully competitive service on north-end grain shipments.’”

The North End rights first arose in 1982 when UP acquired Missouri Pacific.

“As a condition to approval of that transaction, the ICC had required Union Pacific to grant MKT trackage rights for ‘the preservation of an additional rail option for grain moving to Kansas City from Lincoln, Topeka, Atchison, and Omaha/Council Bluffs’— the North End rights,” UP says.

“The purpose for these rights was to give MKT direct access to shippers, especially grain shippers, at those points to prevent a reduction of competitive rail service options resulting from the loss of UP as a friendly connection for MKT at Kansas City,” UP told the STB.

CPKC cannot use its South End trackage rights for grain traffic unless the shipments are bound to Kansas City from Lincoln, Topeka, Atchison, and Omaha/Council Bluffs, UP says.

“Indeed, the ICC encouraged the parties ‘to reach agreement on terms that will alleviate our concerns regarding north-end grain traffic, but that at the same time will not unnecessarily expand operations under those rights beyond the scope of MKT’s operations, consistent with our policy to avoid a ‘windfall to railroads’ in conditioning merger approvals,’” UP said.

“Nothing in the UP/MKT decision suggests the ICC’s condition required Union Pacific to grant KCS South End rights that operate independently of the North End rights,” UP adds. “To the contrary, UP/MKT makes clear the ICC’s condition required only that KCS be able to use the South End rights for North End grain traffic.”

UP also argues that the STB does not have jurisdiction because the matter involves a contract dispute, not an argument involving a merger condition. The dispute, UP says, should be resolved in arbitration or in court.

Finally, UP told the STB that CPKC’s “claimed need for expedited action is belied by its three-month-long delay before bringing this matter to the Board.”

CPKC said it sought an expedited decision by Aug. 31 so that grain shippers can make plans for the fall harvest season.

Source: Grainnet





The MGFA office will be closed on Monday, September 4th for Labor Day. Enjoy the long holiday weekend!



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