



# Inputs

## *Executive Director's Report*

Hello MCPR members!

The Annual MCPR meeting election produced a new Board member. Join me in welcoming the new MCPR Board member representing District 1 (SE Minnesota), Danny Benson, Agronomist and part owner of Kenyon Ag, who replaces Noel Frana, Farm Country Coop in Pine Island. Commitment and sacrifice are required from those who serve you as MCPR Board members. I would like to take this opportunity to thank Noel for his dedicated service. In addition, let's recognize some of those recent former Board members who served so well on the MCPR Board: Les Hartwig, of Mycogen; Vance Stueness of West Central, Inc.; David Rye of Syngenta; Kevin Doyle of CHS, Inc.; Steve Tupa of Ag Chem Company; and Vern Mosley of West Central, Inc. Thanks to each one of you!

MCPR recently pulled together the MN Grain and Feed Association and the Cooperative Network to jointly provide the first webinar we have ever done to give you more complete information on the MDA pesticide and fertilizer fee changes. If you missed this important training session, please contact Jessi at [jessi@mcpr-cca.org](mailto:jessi@mcpr-cca.org), or visit the MCPR website, [www.mcpr-cca.org](http://www.mcpr-cca.org), for info and a registration form for the taped webinar. We were delighted to be able to produce this workshop for you. A special recognition for the efforts of the MDA staff for assisting in this program.

Related to the legislative session convening February 4, 2010, expect a very partisan session focusing on the projected deficit of well over \$1 billion. Agriculture issues will be more defensive in nature. MCPR has developed our legislative agenda and policy positions under the leadership of Legislative Committee Chair, Mike Minnehan and Vice Chair, Brad Englund. The final positions were determined during the MCPR Annual Meeting, held again this year in the middle of the trade show floor. Stay tuned, the session will be a challenge again this year.

Until next time,

Bill Bond, Executive Director



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## *2009 Craig Sallstrom Memorial Scholarship Recipient says Thank You*

Dear Minnesota Crop Production Retailers,

Every Thanksgiving my mom asks our family members to name something for which we are thankful. I am thankful for the value MCPR members place on education and are willing to help college students financially. I am currently a student at the University of Minnesota-Twin Cities in Agriculture Industries and Marketing with a Crops and Soils emphasis. The funds from your scholarship will go toward my tuition bill for the spring 2010 semester. Thank you again for valuing education and making it possible for me and other students to pursue our degrees and goals.

Sincerely,

Rachael Dahlman

## News Notes

### **Kevin Jones appointed to ACRRA Board**

Governor Tim Pawlenty announced the appointment of Kevin M. Jones to the Agricultural Chemical Response Compensation Board. Jones, of St. James, is the general manager of NuWay Cooperative in Trimont. He has held a number of positions with NuWay during the 15-and-a-half years he has been with the Coop. Previously, he worked in the agronomy and feed division with Watonwan Farm Service, and worked on a family farm. Jones earned an agribusiness management degree from Ridgewater College in Willmar, and is a certified crop advisor. The Agricultural Chemical Response and Reimbursement Account (ACRRA) was created under the 1989 Minnesota Ground Water Protection Act to provide financial assistance to cleanup agricultural chemical contamination. The program is funded through annual surcharges on pesticide and fertilizer sales, and on applicator and dealer licenses. The ACRRA funds are administered by the Agricultural Chemical Response Compensation Board. (MDA)

### **American Farm Bureau Federation President Issues a Stern Warning**

AFBF President Bob Stallman warned critics that farmers and ranchers will no longer tolerate opponents' efforts to change the landscape of American agriculture. "Emotionally charged labels such as monoculture, factory farmer, industrial food, and big ag threaten to fray our edges," said Stallman. "We must not allow the activists and self-appointed and self-promoting food experts to drive a wedge between us. "A line must be drawn between our polite and respectful engagement with consumers and how we must aggressively respond to extremists who want to drag agriculture back to the day of 40 acres and a mule," said Stallman. "The time has come to face our opponents with a new attitude. The days of their elitist power grabs are over. "The world will continue to depend on food from the United States. To throttle back our ability to produce food-at a time when the United Nations projects billions of more mouths to feed-is a moral failure." (Red River Farm Network)

### **Cap and Trade Controversy**

In recent congressional testimony, USDA Chief Economist Joseph Glauber, said cap and trade could shift up to 59 million acres of US crop and pasture land to trees by 2050, raise consumer food prices and reduce grain and meat exports. Agriculture Secretary Tom Vilsack seemed to question USDA's own economic model during a news conference last week from Copenhagen. "There are other models, more current and more complete, that might lead to significantly different conclusions." Nebraska Senator and former Agriculture Secretary Mike Johanns fired off a letter to Vilsack, voicing his respect for Glauber. Johanns said Glauber apparently uncovered information that is "inconvenient" for the Obama Administration. (Red River Farm Network)

### **Carlson Participates in Copenhagen Conference**

North Dakota Farmers Union President Robert Carlson, spoke at the UN Climate Change Conference, saying US farmers are already benefitting by storing carbon in the soil. Carlson said 4,000 farmers have signed five-year contracts to store carbon in their soil through five practices: no-till farming, tree planting, grass planting, rangeland management and establishing methane digesters. Carlson says farmers have earned \$10 million worth of payments through selling carbon credits on the Chicago Climate Exchange. (Red River Farm Network)

### **Ag Processors Impacted by Climate Change**

AGP Senior Vice President Mike Maranell says the climate change legislation would have a devastating impact on agriculture processors. Maranell cites recent testimony from USDA Chief Economist Joe Glauber, who estimated US corn production could drop nearly 30 percent under the Waxman-Markey climate change bill. Soybean production would drop 20 percent. Maranell says that doesn't fit with the United Nations goal of doubling food production for a growing world population. Maranell once thought the government was too smart to cut food production. "I would have told you that common sense would rise to the top; I guess I don't know that anymore." (Red River Farm Network)

## *From Flooded to Fixed...How Farmers Coop Elevator of Rushford, Minnesota Swam to Recovery*

Ten to twelve inches of rain poured on southeastern Minnesota during the weekend of August 18-19, 2007. The Rush, Pine, and Arundel Creeks, unable to handle the deluge, overflowed their banks into the adjacent fields and funneled the rainwater right into the city of Rushford, Minnesota. The ensuing flash flood buried the city under five to seven feet of water, debris, and sludge. This was the first flood since the dikes were built in the late 1950s or early 1960s. The wastewater treatment plant, as well as Rushford's two primary sources of drinking water, Wells 3 and 4, were flooded and shut down. Water wasn't potable for two months.

A mainstay in the Rushford community since 1903, the Farmers Cooperative Elevator (FCE), employing 16, was not spared during the flood. According to Mark Honsey, Facilities Manager for FCE, seven to eight feet of floodwater inundated the fertilizer plant for nearly three days. Also serving on the Rushford Volunteer Fire Department, Honsey contended simultaneously with the needs of the Rushford community and damages to his own home in addition to his business. In fact, for three months after the flood until their home was deemed livable, the Honsey family (including their cats) lived out of a camper. Most of the FCE employees contended with similar hardships.

As of December 2007, FCE's total equipment and inventory losses totaled approximately \$3.1 million. Of that \$3.1 million, grain, fertilizer, seed, crop-protection products and feed losses totaled \$800,000; building and equipment losses and/or damages totaled \$1.1 million; and damaged/lost agronomy equipment totaled \$1.2 million. Honsey stated: "The equipment was replaced through (our) insurance and the rebuilding of facility structures was covered via low-interest loans, but our product losses and company downtime were our expense."

Once the flood waters receded, FCE began the daunting task of cleanup. They needed to accomplish this quickly and efficiently so that they could get back to work as soon as possible. However, the nature of their business involving agricultural chemicals presented some unique concerns and challenges. Mark Schwanbeck, General Manager, and Honsey obtained industry references and made the decision to contract Bay West, Inc. (Bay West) to perform emergency response cleanup activities. Over the next three days, five Bay West personnel outfitted in protective suits and respirators segregated usable pesticides, herbicides, fertilizers, and treated seed products from waste materials. Water-logged packaged goods weighed as much as 100 pounds. The heat and humidity inside the warehouses compounded the difficult recovery effort. Despite the harsh conditions, Bay West Emergency Responder Bryan Scheuermann was happy to help. "The farmers needed the facility, so being there and cleaning it up gave me a good feeling, to help them get back on their feet," he said.

The emergency response cleanup effort salvaged 80% of their packaged chemical inventory from potential loss. Only two, 20-cubic-yard roll-off boxes of chemical-soaked pallets, seed bags, and dry insecticide bags; and forty-eight, 55-gallon drums of destroyed agricultural products (mainly atrazine) required disposal.

While the initial cleanup removed much of the chemicals that could potentially damage the environment, the cleanup process wasn't over. Soil testing performed at the facility by the MDA in the weeks that followed identified that chemical contamination from the flooding was present in the soil on the facility grounds. A full investigation was therefore required to identify the extent of agricultural chemical distribution following the flood.

The financial implications associated with the loss of product inventory and equipment, property damage, initial cleanup, and impending investigation provided significant motivation for both Schwanbeck and Honsey to obtain all available sources of funding to facilitate the recovery of their business - and their personal livelihood. Reimbursement for investigation and cleanup costs from the Agricultural Chemical Response and Reimbursement Account (ACRRA) was one great option. Bay West and FCE collaborated on the preparation of a letter that presented justification for why the investigation and cleanup at FCE was related to two separate incidences. This letter was effective in securing two \$350,000 ACRRA reimbursement accounts for the investigation and cleanup of their facility - one for the flood and a second one for historical use impacts. This was the first time that the ACRRA Board had awarded dual reimbursement claim accounts for a single site.

With this funding now in place, Schwanbeck and Honsey could shift their focus from financial unease to restarting their business. FCE asked Bay West to complete the follow-up investigation requested by the MDA. From April through October 2008, Bay West collected 125 soil samples from 14 areas across the facility. Laboratory results showed that the soil contamination was contained within the facility boundaries, meaning that nearby residences and/or businesses had not been impacted and would not be adversely affected by agricultural chemicals on their land or in their water supply.

Following the complete delineation of fertilizer and pesticide impacts, soil excavation and land-spreading activities were completed in early April 2009, just before the start of the 2009 crop season. Impacted soils that had been maintained in segregated stockpiles were loaded into lime spreaders and land-applied for re-use on 118 acres of cropland.

Following the successful completion of the assessment, remediation, land-spreading, and reporting, and the confirmation that significant risks to human health and the environment had been alleviated, the MDA officially closed the leak file for the facility in November 2009. The FCE suffered a staggering blow during the flood, but was able to cleverly use resources to rejuvenate its entire operation in just a few short months. The building shells today are original, but were only usable after being gutted, reinsulated, and rewired. The 2009 crop production season went ahead as usual and the forecast for 2010 looks even brighter. By acting quickly and finding an experienced full-service company to help them secure maximum funding and meet all of the MDA's environmental cleanup requirements, the FCE avoided a catastrophic financial loss and ensured that they had a speedy, thorough recovery.

In closing, Honsey states "Working with Bay West on this cleanup has been a pleasure. Their work with the MDA and the ACRRA board allowed us to focus on rebuilding our facilities and getting back to what we do best - serving our farmers. We were able to reopen our fertilizer plant in the spring of 2008 without missing a beat because of a lot of hard work by everyone involved. As the employees of FCE washed down the seemingly endless supply of sludge, the employees of Bay West cleared the endless supply of regulations and paperwork. They were a vital link in our recovery."

Bay West is a privately held, 35-year old, Minnesota-grown company specializing in providing environmental consulting, hazardous waste management/disposal, industrial cleaning, and emergency response services to agricultural, commercial, state and federal clients. Bryan Murdock invites you to contact him at 651-291-3473 or [bryanm@baywest.com](mailto:bryanm@baywest.com) for more information about Bay West, our services, and our customer commitment.





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## *Craig's View*

Dear MCPR members,

First off, I would like to thank all the vendors and retailers who attended the MCPR Trade Show. A special thank you goes to the University of Minnesota for their excellent presentations at the CPM Short Course. The MN Dept. of Ag needs to be recognized for its presentation of the regulations of anhydrous ammonia tanks and tool bars. Although the weather affected the total attendance, the MCPR Board felt it was a very successful show.

The MCPR Board would like to thank Noel Frana for his dedicated work as the board member from District One. Noel stepped down from his position as director and treasurer this past December at the annual meeting. The newly elected representative from District One is Danny Benson from Kenyon Ag Service.

As we move through the coldest part of winter I just wanted to let you know about some items retailers will be facing. First of all your tonnage tax and chemical groundwater fees will have to be collected at the local level. Retailers are responsible for collecting and paying these fees, not your distributor. Secondly, we know DOT will be doing on-site inspections of ammonia tanks again this year. Now is the time to get in compliance with your equipment. The other compliance issue will be how you handle your upgrade of chemical shuttles and recycling of your old tanks. The Board hopes to have a list of options for recycling shuttles and plastic jugs before the spring season arrives.

The stewardship pilot project is moving ahead as planned and we hope to provide you with some solid information on this inspection process by the middle of the summer. I am looking forward to raising the bar as far as the way retailers recycle, are in compliance and plan to use the stewardship project. It should be a great year.

Board Chairmen,  
Craig Maurer