



Inputs

Executive Director's Report

MCPR Announces a Minnesota Stewardship Pilot Project

Hello MCPR members,

As you read this, all over Minnesota the crop input industry is "gearing up" for the spring planting season. The intensity of effort strains everyone and every machine. We are focused on placing inputs into the soil in a fashion that will maximize productivity...AND, place as little strain on the environment as possible. Yes – we are in a constant balancing act of productivity AND environmental stewardship.

The Minnesota crop input industry has made major stewardship investments. That is why MCPR members bristle when competitors don't play by the rules. Competition is keen in our industry. Regulatory compliance efforts seem unfair; some get away without making these investments and are able to win by not playing by the rules. When the governmental regulators and inspectors do enforcement actions and seem to "nit pick" while we are aware of someone "cutting corners" and seeming to "get away with it", this just adds "insult to injury."

So, what to do about this constant strain? Cut corners wherever possible or "suck it up" and grumble over a cup of coffee or a beer in town? MCPR has another idea. What if we were to start being responsible to each other and could get regulatory recognition and freedom as we truly comply with the rules and regulations? After all, MCPR's Mission Statement is that "MCPR exists to promote the proper use, storage and application of crop production inputs in an environmentally safe and agronomically sound manner; and to support regulatory and legislative initiatives which benefit retailers, manufacturers, distributors and custom applicators of crop production inputs." Well, below is a new idea: we are introducing the MCPR Stewardship Pilot Project.

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Hours of Service Update

FMCSA Denies Hours of Service Petition - The same groups who challenged the hours of service (HOS) rules several times in the past, once again filed a petition on December 18, 2008 with Federal Motor Carrier Safety Administration (FMCSA) requesting their reconsideration. The December 2008 Public Citizen news release had stated, "The federal government should reconsider a seriously flawed regulation that can compel professional truck drivers to work and drive 19th-century sweatshop hours." The groups involved were the Advocates for Highway and Auto Safety, Public Citizen and the Truck Safety Coalition. In a 19-page response sent to Joan Claybrook, President of Public Citizen, on January 16, 2009, John Hill, outgoing Administrator of FMCSA, said: "Petitioners' disappointment in the outcome of FMCSA's weighing of individual studies, and the relevance of particular studies to risk calculations regarding individual elements of the overall rule package, does not support the petition for reconsideration. For these reasons, FMCSA denies the petition." The groups whose request for reconsideration was denied now have 60 days to file for judicial review of the HOS regulations by the United States Court of Appeals for the District of Columbia Circuit. This judicial appeal and the pressure these groups are putting on the courts under scores the concern that national ag dealers associations have that the agricultural hours of service exemption is threatened this year, both from the new administration and majorities in Congress and the renewed activity of public interest groups.

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The Minnesota Crop Production Retailers Stewardship Pilot Program is an innovative opportunity to benefit the agribusinesses of Minnesota through a partnership with certain regulatory agencies such as EPA, DOT and OSHA. This idea was generated by MCPR Board members in response to Governor Pawlenty and the Minnesota legislature's requests for proposals to resolve Minnesota's budget crisis with innovative solutions that "recreate" state government to "eliminate outdated programs and promote progressive new solutions". The pilot project is an MCPR suggested solution that is targeted at evaluating the effort for Minnesota dealers to take responsibility for an industry developed and operated regulatory compliance program. If successful and widely adopted, this program could reduce some of the burden for state regulatory activities. Of course, we are not suggesting that state inspection could or should be eliminated. Rather, we are suggesting that MCPR take the lead to allow Minnesota dealers to take responsibility for our regulatory compliance...or better stated our environmental stewardship.

Our website has been redesigned to demonstrate the basic proposed operation of the pilot project. The example audit program has been provided through the generous cooperation of Crop Production Services. The website and database was made possible by the Asmark Institute.

This pilot program involves recruiting one or more MCPR members to participate in the project by completing a comprehensive on-site facility audit. We are interested in recruiting at least one larger dealer and one independent dealer to compare and contrast the learning curve and experience of the pilot project participants. The first phase of the pilot project is an intensive regulatory compliance questionnaire. By intensive, I mean answering over 800 questions that are menu driven. Answers to these questions will allow more precise and complete compliance to regulations and also will create subsequent follow through activities and reports to resolve noncompliant areas. In conjunction with the questionnaire audit, the answers will be entered on an online web based audit program, which will provide further guidance to answer questions and ensure appropriate follow through. In this process, for the MCPR pilot project, we have arranged for a third party independent audit team to conduct the on-site audits, answer the questions, and assist in completion of the web based forms/questions. MCPR staff and agency personnel will also be involved in the audit process.

Once this phase of the pilot project is completed, the second phase of the pilot project will involve an MCPR review and assessment of the outcome and subsequent determination as to the applicability and usefulness of the pilot project as an industry form of regulatory compliance/stewardship program in Minnesota.

If this review is positive, the third phase will be a review of the pilot project, including the web portal questionnaire and audit process with the regulators as a MCPR Stewardship regulatory compliance proposal. The regulators would be invited to refine the web based questionnaire to reflect their regulatory compliance needs. If this phase is successfully completed, what would emerge is an MCPR Stewardship program that could be advanced to enable the Minnesota crop input industry to participate in a self compliance program which would increase our regulatory compliance effectiveness. The goal for this project is to develop a MCPR regulatory compliance stewardship audit program that enables the identification and reward for those dealers who wish to take advantage of this program with the cooperation of the regulatory community. MCPR intends to be transparent during this process, so that you can be comfortable with our conclusions once the pilot project is completed.

This ambitious stewardship pilot project will only be successful if we as the crop input industry in Minnesota make it successful, and if regulators are sincerely willing to develop the appropriate recognition and response to MCPR's initiative to benefit participating dealers.

To be considered as a pilot project retailer, please email me at: bill@mcpr-cca.org. Innovative ideas and bold leadership are what make MCPR the organization we have become. At the risk of overstating our effort in this pilot project and proposed venture, will you consider joining us in thinking boldly and helping to create our regulatory compliance future?

Until next time,

Bill Bond
MCPR Executive Director

Hours of Service/ *continued from page 1*

In a related note, MCPR Executive Director, Bill Bond earlier this year urged MCPR members to plan on a fall anhydrous ammonia application and supply WITHOUT any assistance from the Governor's office for an executive order providing exceptions to the hours of service rules. He based his advice on the briefing he received from the public policy leaders who advise the Governor. These leaders have said that the Governor's office now believes that the anhydrous ammonia emergency situation we have presented them in the past does not fit the "emergency" definition they must utilize when making a determination. Bill has asked retailers to advise their haulers that the emergency relief to hours of service rules will not likely be available this fall.

Capitol Update

Minnesota's latest economic forecast puts the state's projected deficit at \$4.57 billion. That's much lower than the \$6 or \$7 billion deficits that had been predicted. State Economist Tom Stinson downplayed the positive news, saying this is the "longest and deepest recession since World War II." Stinson said it may be 2011 or 2012 before the state economy starts growing again. The pace is picking up as legislative committee deadlines loom. Whatever is placed in writing now will certainly be outdated by the time you read it. Below you will find highlights (and, well... maybe "lowlights") about legislation with an impact on MCPR members:

The fertilizer tonnage fee collection responsibility will likely change from the licensed fertilizer registrant to the last seller (i.e. retailer) who sells to the end user, i.e., the farmer. The retailer will be required to file an annual report (changed from the current semiannual report registrants are required to complete) and remit the fee to the MDA on July 31 of each year. MCPR is supporting this proposal as this system may "level the playing field" by clarifying who pays and allow for collections from out of state sellers.

In another legislative initiative, MDA would require a license for persons distributing agricultural pesticides in Minnesota. This proposal will enable the MDA to more clearly identify those distributing agricultural pesticides by requiring them to keep records and report sales of agricultural pesticides in and into Minnesota. A person already licensed as a Minnesota Pesticide Dealer will not need an additional license. MCPR is supporting this idea because it creates a more level playing field by capturing the sales of those out of state suppliers not now reporting to the MDA. This proposal is being refined by the MDA through meetings with MCPR and the crop input industry.

Another proposal would allow the MDA to use dedicated Agriculture Chemical Response and Reimbursement Account (ACRRA) funds to pay salary and fringe benefits for direct ACRRA-related MDA Incident Response activities. The MDA justifies this additional expenditure out of the ACRRA fund by stating that this initiative would allow them to utilize ACRRA funds for staff costs, as staff resources are limited at this time due to funding constraints, and are the single most important factor in limiting progress on agricultural chemical contamination sites. MCPR has stated concern about this dilution of the ACRRA ground water clean up resources and has suggested that this authorization be limited and reduced.

The Governor is recommending an increase in the base pesticide registration fee from .04% to .06% and also an increase in the minimum annual product registration fee for non-agricultural pesticides from \$250 to \$350. The MDA justifies this proposal by stating that the pesticide fee rates have not been increased since 1991. The MCPR understands the MDA efforts to raise additional funds from the non agricultural pesticide industry. MCPR has been invited to meet with legislative leaders to discuss compromises and alternative ideas. This proposal should come as no surprise because MCPR has been advising members since last year that they should expect increases in pesticide fees, and that was prior to the Minnesota budget crisis. The ag pesticide fee increase is substantial. MCPR is devoting substantial effort and resources to change this proposal. The Governor is also recommending creating a dedicated Non-Agricultural Waste Pesticide Account (NAWPA) funded by a product registration surcharge imposed on all non-agricultural pesticides. This surcharge will be an additional .06% of product sales. These products are identified as any pesticide that does not have agricultural worker protection requirements on the product label (the Ag Use Box) and will be considered a non-agricultural pesticide and subject to the NAWPA surcharge.

The Agricultural Fertilizer Research and Education Council (AFREC) needs a stable, consistent funding source for contemporary ag fertilizer production research projects and to sustain the research AFREC has currently approved. Among funding options being considered are: 1) a fertilizer fee increase of approximately \$.40/ton, or 2) a portion of the constitutionally amended 3/8 of a percent sales tax, or 3) the general fund. Stay tuned.

A number of significant environmental initiatives are of concern. Most prominent and controversial is H.F. 250/S.F. 225 which is described as legislation to protect children's health from toxic chemicals in products. Some provisions of the bill are: a disclosure required by manufacturers of children's products that contain chemicals of high concern; the Pollution Control Agency authorization to designate priority chemicals; and safer alternative replacement. This legislation will enable another avenue of attack on ag pesticides and fertilizers.

Another controversial bill is H.F. 690/S.F. 674 is known as the Minnesota Clean Car Act. This bill requires the following: Minnesota vehicle owners to conform to California air emission standards which are set by a panel appointed in California; decreased emission criteria of air pollutants and greenhouse gas pollution from new motor vehicles; and requires adoption of low emission standards for motor vehicles. Starting with the model year 2013, a person may not sell, import, deliver, purchase, lease, rent, acquire, receive, title, or register a new motor vehicle subject to the Minnesota Clean Car Act in this state that does not comply with the low-emission vehicle program. Of major concern is that starting with the model year 2013, business must comply with a fleet wide average requirement in a low-emission vehicle program based on a computation of the number of new motor vehicles delivered for sale in Minnesota. Agriculture clearly has much at stake in this debate. So far, we have not been able to be on the winning side of legislative committee votes. Stay tuned on this one as it is moving through both the House and Senate.



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Craig's View

Thank you MCPR members!

Once again you demonstrated strong support by paying our membership dues! The MCPR Board is proud to announce that again this year we achieved, and slightly exceeded, our dues income budget. This is no easy task in our challenging economy. Without your financial contributions the board could not move forward on the legislative tasks we have in front of retailers today. We have been working very closely with the MDA on changes to fertilizer tonnage tax and chemical groundwater tax collection. The board has also started to look at a pilot project on self inspections in your retail business. The recent warm weather will move spring closer to us each day. Although the flooding in the northwest is a heavy burden for many people, the rain in the south has been most welcome. As we prepare for spring remembering the safety of your employees and customers should be the most important part of your day. Take a little extra time this spring, your families need you after a long day.

Have a safe spring!

Craig Maurer
MCPR Board Chairman