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Salisbury

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#### Jerry Foster

Cargill  
Jefferson City

May 20, 2009

## FROM STEVE'S DESK

by

Steve Taylor



### Legislative Summary

The 2009 Missouri Legislative regular session is in the history books. As is often the case, this legislative session should be noted for what didn't pass as much so as what did. Bills of particular note for MO-AG members that did not pass include SB 143, HB 915, HB 923, HB 594 and HJR37.

SB 143 is the bill that would require grain dealers to document basis. As I mentioned in the May 6th edition of the Wrap-Up, SB 143 highlighted the lack of convergence in the futures market, but unfortunately, proposed an onerous state solution which would not have fixed this national problem. Again, MO-AG's fast, early action on SB143 resulted in the bill not receiving a hearing and not moving out of Committee.

HB 915 & 923 were bills proposed to change the grain laws and were widely viewed as a reaction to insolvencies experienced by a couple grain dealers in recent months. The bills would have increased bonding requirements on grain dealers and increased criminal penalties for operating outside of licensure. MO-AG testified regarding these bill and expressed concerns about the detrimental effects to grain dealers. The bills passed the House but did not receive a hearing in the Senate. I truly appreciated working with Rep Steve Hobbs, the bill's sponsor, as well as Mo Department of Agriculture Director Jon Hagler and his staff. We will continue our discussions, as I expect various task forces to convene to continue reviewing our grain laws. MO-AG will continue to be highly engaged in this process, focusing the discussion on preventing fraud from occurring in the grain industry, as well education of producers and grain dealers on best marketing practices.

Related to this issue, I would note that the budget passed

**Chris Hoffman**  
Hoffman and Reed  
Trenton

**Rex Meyr**  
Shawntee Feed and Seed  
Jackson

**Mike Nordwald**  
Ray-Carroll Co. Grain  
Growers  
Richmond

**Wayne Orey**  
Riggins R-Co, LLC  
Marshall

**Brian Parman**  
Fertilizer Dealer Supply  
Boonville

**Aaron Wade**  
Crop Production Services  
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**Jerry Young**  
Agriservices of Brunswick  
Brunswick

### **MO-AG Staff**

**Executive Director**  
Steve Taylor

**Program Director**  
Jeff Leonard

**Legislative Consultant**  
Jim Russell

**Legal Counsel**  
Robert Brundage

**Communications Consultant**  
Deborah Dickens

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for the Missouri Department of Agriculture included an extra \$55,000 to fund an additional grain auditor position. MO-AG has been supportive in assuring MDA has adequate resources and staff.

I want to especially note the hard work of MO-AG lobbyist Jim Russell on HB 594 which would require the Secretary of State to design, implement, and operate a central filing system for security interests in farm products. This bill was touted as a way to provide buyers of farm products a practical method for discovering the existence of security interests in farm products. While the effectiveness of this method was questioned, MO-AG also raised serious concerns about the low priority provided to ag retailers in regards to security interests. While HB 594 did not pass this session, I would expect we will continue to keep a close eye on this issue in preparation for next year's session.

A final mention in terms of bills that did not pass is HJR 37 which would have allowed voters the opportunity to vote on a constitutional amendment that would guarantee the right to vote by secret ballot. HJR 37 was similar to legislation that has been passed in other states in response to the federal card check legislation being considered. As I noted in the April 25th edition of the Wrap-Up, many organizations are highly interested in this issue and I know many are disappointed that HJR 37 did not pass.

Looking now to legislation that has passed the General Assembly and is on its way to the Governor's desk:

HB 734 and HB 661 extends, from December 31, 2009 to December 31, 2010, the authority of the Department of Natural Resources to charge fees for construction permits, operating permits, and operator certifications related to water pollution control. Also in the last days of the session, an amendment was added to HB 734 which establishes a new fee schedule for distributors of fertilizer consisting of manipulated animal or vegetable manure based on the nitrogen content of the manure. HB 661 also extends the time the state has to report impaired waters to EPA from August 28, 2009 to August 28, 2010.

HB 62 cracks down on livestock theft. Specifically, a person who steals or receives stolen livestock will be guilty of a Class C felony. If the value exceeds \$3,000, the offense would be a Class B felony and those convicted must serve 80% of the sentence before eligible for parole. Our livestock friends worked hard on this legislation and our congratulations to them on seeing this bill make it to the Governor's desk.

Finally, HB 246, sponsored by Rep. Tom Loehner, is on its way to the Governor. This bill allows a property owner to remove and sell excess gravel without a permit if the primary purpose for removal is to manage seasonal gravel accretion on property not used primarily for gravel mining. Property owners are limited to selling less than 2,000 tons of gravel annually with a 1,000 ton per-site limitation. While we may not have many gravel haulers in the MO-AG membership, this bill is generally positive in that it sets a theme of limiting the Missouri Department of Natural Resource's authority when that authority is extended beyond that which is necessary to protect the environment.

To sum up, it's been a busy session with many challenges. I am happy that we, in MO-AG, can point to many areas of success in terms of protecting your interests in the state legislature. As a MO-AG member, you can rest easier knowing such an effective organization advocates on your behalf.

## REMINDER

### **Is Your Risk Management Plan (RMP) Up to Date?**

Many updates are due by June 21, 2009. If you have not updated your RMP filed with EPA since June 21, 2004, it is now time to complete your updates. Approximately one third of the RMPs in Iowa, Kansas, Missouri, and Nebraska need to be updated. EPA has developed an on-line computer submittal process to help facilities comply. Information on the new RMP eSubmit or the Risk Management Program in general can be found on the EPA website at:

<http://www.epa.gov/emergencies/content/rmp/index.htm>.

For more information, contact George Hess at (913)551-7540 or [hess.george@epa.gov](mailto:hess.george@epa.gov).

## NEWS YOU CAN USE

### **Governor Nixon Calls on Corps of Engineers to Cease Spring Rise Operation Immediately**

Gov. Jay Nixon has urged the U.S. Army Corps of Engineers to discontinue a spring rise operation on the Missouri River from the Gavins Point Dam, which lies on the border between Nebraska and South Dakota. In March, Gov. Nixon wrote to the Corps to request that spring rise operations in both March and May be canceled because of flooding conditions that had affected

communities, farms and homes throughout Missouri this spring. In addition, Gov. Nixon questioned the continued need for an artificial spring rise in light of scientific studies, funded by the Corps, suggesting that pallid sturgeon are spawning sufficiently without this man-made event. "Mother Nature has dealt Missouri another rough spring, with torrential rains and winds," Gov. Nixon said. "Right now, we simply can't afford this risk of this man-made flood here in the Show-Me State. The Corps made the right decision to call off its spring rise back in March, and I urge them to cease this operation immediately as well."

Because of severe rains throughout the region in recent weeks, the Mississippi River at Cape Girardeau was expected to crest at almost 10 feet above flood stage this Sunday, threatening homes and property around the city. "As our farmers and producers cope with already severe weather conditions, they don't need this additional concern," Gov. Nixon said. "I hope the Corps will act quickly to discontinue this artificial rise." [*Source: Governor's Office*]

### **Bulk Pesticide Stewardship Program Embarks on 2009 Inspection Cycle**

The American Agronomic Stewardship Alliance (AASA) was formed in 2003 with the goal of ensuring uniform national standards for the proper storage and handling of crop protection chemicals. Working together, manufacturers and retailers have found a better way to conduct retail facility inspections. This stewardship program is for facilities that store bulk, mini-bulk and packaged crop protection products and provides a one-stop, third-party resource for manufacturers and distributors to conduct inspections. It reduces duplicate site inspections and uses a single inspection checklist so that facility managers have a clear idea of what is expected.

Please go to [www.aginspect.org](http://www.aginspect.org), the website of the AASA. There you can view AASA committee members, the inspection regions and the uniform checklist that the AASA inspectors utilize. There is also a short PowerPoint presentation on the website that shows the results of the key checklist question items and how retailers are doing with compliance.

The AASA began conducting inspections at bulk pesticide facilities in 2004 and divided the United States into three inspection regions. In June of 2009, the AASA

will begin to revisit facilities that were first inspected in 2006. This region includes the states of Connecticut, Delaware, Florida, Georgia, Illinois, Kentucky, Massachusetts, Maryland, Maine, Minnesota, Missouri, North Carolina, New Hampshire, New Jersey, Pennsylvania, South Carolina, Virginia, Vermont, Wisconsin and West Virginia. AASA has contracted with inspectors from RCI/Farm Chem, Piedmont Environmental Consultants Inc., and JTAG Inc. to perform inspections in these states.

The goal of the AASA program is to enhance stewardship, present retailers with clear and consistent storage and handling guidelines, and provide manufacturers with a one-stop source of retail inspection data. There is no cost to the retailer to participate in this voluntary program. AASA inspection data will be maintained as confidential business information and will be available only to crop protection manufacturers and distributors that plan to store products at your facility. [Source: AASA]

### **The New USEPA Pesticide Container & Containment Rule**

The American Agronomic Stewardship Alliance provides a platform for constantly renewing our industry's stewardship commitment to employees, customers and communities. Please go to [www.aginspect.org](http://www.aginspect.org) to view several documents that outline the expectations of USEPA regarding the handling and storage of bulk pesticides and pesticides in portable refillable containers. These new federal rules will begin to be phased in starting this year. If you have questions about the AASA program, please call (309) 827-2774. [Source: AASA]

### **Watch for Combustible Dust Hazards Rule from OSHA**

The Occupational Safety and Health Administration (OSHA) is initiating a comprehensive rulemaking on combustible dust. OSHA plans to issue an Advanced Notice of Proposed Rulemaking and convene stakeholder meetings to evaluate possible regulatory methods. Plans are to request data and comments on issues related to combustible dust such as hazard recognition, assessment, communication, defining combustible dust, and other concerns. Since 1980, more than 130 workers have been killed and more than 780 injured in combustible dust explosions.

"Over the years, combustible dust explosions have caused many deaths and devastating injuries that could have been prevented," said Secretary of Labor Hilda L. Solis. "OSHA is reinvigorating the regulatory process to ensure workers receive the protection they need, while also ensuring that employers have the tools needed to make their workplaces safer." Combustible dusts are solids finely ground into fine particles, fibers, chips, chunks, or flakes that can cause a fire or explosion when suspended in air, under certain conditions. Types of dusts include metal (aluminum and magnesium), wood, plastic, rubber, coal, flour, sugar, and paper, among others.

In 2006, the U.S. Chemical Safety Board (CSB) recommended that OSHA issue a combustible dust standard. OSHA received additional support for a combustible dust standard from the CSB during a congressional hearing in 2008, when the Board said a new standard, combined with enforcement and education, could save workers' lives. [*Source: Asmark Institute*]

### **NCGA Questions Administration's Proposed Budget Cuts to Farm Programs**

The National Corn Growers Association (NCGA) earlier this year joined a coalition of national farm and agricultural groups to oppose President Obama's proposal to phase out direct payments to farmers with gross sales over \$500,000 and cuts in the federal crop insurance program. Even though the House and Senate rejected the funding reductions in the recently passed Budget Resolution, the Obama Administration's detailed budget, released late last week, still includes the proposed cuts. "These two areas targeted by the President's budget are alarming to our organization," NCGA First Vice President Darrin Ihnen said. "In agriculture today it is relatively common to see gross annual sales of over \$500,000, but that does not mean net income. Our growers need a strong safety net and our industry will be weakened if the government begins to cut crop insurance funding and basing payment eligibility on rules that ignore production costs and long term business investment."

The proposal to phase out direct payments could also decrease participation in the Average Crop Revenue Election (ACRE) Program, which was included in the 2008 farm bill. With rising input costs and increased

market volatility, ACRE and the new disaster assistance program, Supplemental Revenue Assistance (SURE), are the latest additions to the risk management tools made available to better protect producers against rising input costs and increase in commodity market volatility.

NCGA recently delivered testimony before the House Agriculture Subcommittee on General Commodities and Risk Management, noting these programs do not substitute for any part of federal crop insurance, but they can assist growers impacted by multiple years of shallow crop losses not covered by crop insurance. NCGA and other agriculture organizations are continuing to monitor further developments on funding for farm and rural development programs as Congress continues its deliberations on the annual appropriations bills. [Source: NCGA]

## UPCOMING EVENTS

### JUNE, 2009

- 8-12 Missouri Agribusiness Academy; St. Louis, MO
- 25 Central Missouri Golf Tournament; MCGA; Marshall, MO
- 27 Missouri Department of Agriculture Golf Classic; Holts Summit, MO

### JULY, 2009

- 1 Southeast MO Golf Tournament; MCGA; Sikeston, MO
- 7 Missouri Pork Classic Golf Tournament; Columbia, MO
- 8 Missouri Soybean Association Golf Tournament; Richmond, MO
- 9 Northwest MO Golf Tournament; MCGA; Maryville, MO
- 14 St. Charles County Golf Tournament, MCGA; Warrenton, MO
- 22 Southwest MO Golf Tournament, MCGA; Lamar, MO
- 22-24 MO-AG Summer Meeting; Country Club Hotel; Lake Ozark, MO**
- 28 Chillicothe Golf Tournament; MCGA; Chillicothe, MO
- 28-31 Crop Injury and Diagnostic Clinic, Columbia, MO

## **AUGUST, 2009**

- 2-4 Missouri Young Farmers Summer Tour, Alma,  
MO
- 5-7 MCGA Annual and Board of Directors Meetings;  
Lake Ozark, MO
- 7-8 Missouri LICA Family Weekend  
and Membership  
Meeting; Bennett Spring State Park; Lebanon,  
MO
- 13-23 2009 Missouri State Fair; Sedalia, MO

## **SEPTEMBER, 2009**

- 30- Oct 2 Missouri Seedmens Association Annual  
Meeting; Lake Ozark, MO

## **DECEMBER, 2009**

- 11-12 Missouri Cattlemen's Association Annual  
Meeting  
and Convention; Springfield, MO

## **JANUARY, 2010**

- 6-7 MO-AG Winter Convention; Lodge of Four  
Seasons;  
Lake Ozark, MO**

**Note:** *Items in red are new postings since the last  
Wrap-Up issue.*

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## **Letters to the Editor**

*Do you have a response to the Missouri Agribusiness  
Wrap Up? Let us know! The Missouri Agribusiness Wrap  
Up is a bi-weekly publication of the Missouri Agribusiness  
Association (MO-AG). MO-AG is a member-owned  
association based in Jefferson City, Mo. which protects  
members' interests in state legislation and provides  
educational opportunities.*

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