

In This Issue

FROM STEVE'S DESK

MEMBER NEWS

NEWS YOU CAN USE

UPCOMING EVENTS

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June 17, 2009

FROM STEVE'S DESK

by Steve Taylor



Behind the Scenes

MO-AG's primary mission is to advocate for agribusiness. We sometimes advocate under the glaring spotlight of legislative hearings. But more often than not, we advocate "behind the scenes." One example of such advocacy is the work being done to promote your interests regarding the draft odor rule now under consideration by the Mo Department of Natural Resources (MDNR) and the Air Conservation Commission.

For the past several months, we have engaged MDNR staff and the Commission to address concerns we have with the draft odor rule. We had significant concerns with provisions regulating "recurring odors" which could require an odor control plan from agribusinesses such as feed mills and animal feeding operations. These businesses experience some level of odor nearly all of the time due to the nature of their business.

The Commission took up this issue at its May 28th meeting. At this meeting, MO-AG requested that the Commission delete the "recurring odors" language from the draft rule and the Commission did in fact direct MDNR staff to remove this language. The Commission meets again on June 25th to continue its work on this rule. Special thanks to MO-AG's legal consultant, Robert Brundage, for his work on this issue.

The need to advocate for common sense regulations seems to be on the rise. The interesting thing is that the advocates for increased regulations seem to be coming not only from private advocacy groups, but sometimes from our own government.

A glaring example is a joint letter sent from the USDA, EPA, and Corp of Engineers to U.S. Senator Barbara Boxer, Chair of the Committee on Environment and Public Works. The agencies state that their letter "briefly outlines issues related to problems and needed clarification on waters protected by the Clean Water Act and identifies certain principles that may help guide legislative and other actions to address these issues." In other words, they want Congress to enact legislation. So, what do they want?

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
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The agencies state that "Supreme Court decisions in 2001 and 2006 narrowed the prior interpretation of the scope of waters protected by the Clean Water Act" and that "federal agencies have faced significant challenges implementing these recent decisions." They state that "it is essential that the Clean Water Act provides broad protection of the Nation's waters, consistent with full Congressional authority under the Constitution." On a more specific topic, they state that "as we work to meet goals for wetlands protection nationwide, we need to identify opportunities to expand protection of wetlands."

Over the last eight years, the Supreme Court has reigned in the agencies regulatory authority and now these federal agencies say they "face significant challenges implementing these recent decisions." Really? Some would say the Supreme Court helped simplify things for the agencies by limiting their role. But of course, to the agencies, that is the problem. Without more power, they say they just simply cannot do their jobs and protect the environment. The agencies are clearly advocating that Congress open up the Clean Water Act and enact legislation that gives the agencies broad powers and authority to regulate with a much more expanded scope.

We'll continue work behind the scenes and in front, as necessary to protect your interests.

Until next time ...
Steve

MEMBER NEWS

Reserve Your Room for the MO-AG Summer Meeting Before the July 3rd Deadline!

The room block at the Country Club Hotel for the MO-AG Summer Meeting on July 22-24 is filling up fast and the deadline is nearing. To reserve a hotel room, contact the Country Club Hotel at (800) 964-6698. The room rate of \$102/night will be held until Friday, July 3rd. After the July 3rd, the block of rooms will no longer be held and you may or may not be able to get a room at the Country Club Hotel, depending on vacancy. To register for meals and activities, check out the registration form for the Summer Meeting at www.mo-ag.com or call the MO-AG office at 573-636-6130.

NEWS YOU CAN USE

Nebraska Officials Propose Grain- Insurance Fund

Nebraska officials are moving forward with a plan to establish a multi-million dollar insurance fund to protect farmers when grain warehouses go broke, following the financial collapse of an elevator

last year. But major agricultural groups in the state contacted on Wednesday expressed opposition to the plan and were surprised that the Public Service Commission (PSC) was moving ahead with the concept. Last year, the plan to establish a \$25 million fund that would be paid for by farmers got a cool reception from farm groups, bankers and grain dealers when presented by the PSC and PSC officials said they would not move forward without their support.

Members of both the Nebraska Farm Bureau and Nebraska Corn Growers Association haven't jumped on board with the plan since then and the groups say they told the PSC so. Scott Merritt, executive director of the Nebraska Corn Growers Association, said he was a little surprised that PSC issued the order. He said he thought their message to the PSC was clear that the group was not supportive. Among the groups against it is the Nebraska Farm Bureau. Like the Corn Growers Association, cost was among the reasons, said Jay Rempe of the Bureau. Members also questioned whether a fund is needed.

An association representing the state's agricultural cooperatives that operate many of the elevators in the state questioned whether the fund is necessary. Robert Andersen, president of the Nebraska Cooperative Council, said state regulations and Fecht's division should be beefed up before farmers are required to pay to protect themselves. Encouraging state regulators to push for an insurance fund was the financial collapse of Alvo Grain and Feed, which filed for bankruptcy last year. [Source: Associated Press]

NW MO Farmers Hear Payback Proposal

More than 100 northwest Missouri farmers who lost money to a Gallatin grain elevator will receive about 12 cents on the dollar under a state Department of Agriculture proposal to pay out the bonded portion of the elevator's debt. The state plans to disburse \$407,000 - the amount of bond posted by the elevator under state law - out of \$3.5 million they are owed by the Daviess County Company. Gallatin Grain Co. closed in February and owner Daniel Froman is facing 22 counts of grain theft. [Source: Associated Press]

EPA Is Back!

According to the *U.S. News and World Report*, the Environmental Protection Agency (EPA) is "starting to flex its muscles again" and has been pumping out proposals and directives on everything from climate change to pollution from ships. They quote EPA Administrator Lisa Jackson as saying "There's a larger message that we have to give to the American people, which is that EPA is back on the job, that we are guardians protecting clean air and clean water." [Source: *U.S. News and World Report*]

Stimulus Funds for Watershed Dams Important, Says NRCS

Federal stimulus money is helping move conservation programs forward in rural America - and one of the most significant - according to NRCS Chief David White, involves fixing up old watershed dams that were built in the mid-1940s. "Many of them were built with a 50-year design life and that means that many of them are reaching the END of their design life." White calls the watershed dams "silent guardians" that provide one-and-a-half billion dollars in benefits to the U.S., mostly in flood control. White says, "A lot of people that live in rural America don't even know that these dams are protecting them."

White says metal rusts and concrete wears down over time and in many small, rural areas the dams protect the drinking water supply. But, he says that's not the only consideration. "What was once a corn field when this dam was built now has development around it and any time that happens you've got to increase the hazard - it goes to a high hazard dam - and you've got to go in there and make sure it meets high hazard standards."

White tells Brownfield it's critically important that these watershed dams be rehabilitated. The Natural Resources Conservation Service (NRCS) is getting \$50 million in stimulus funds to fix more than two-dozen watershed dams in 11 states, including Missouri and Nebraska. White says 11,000 structures were build and about 1700 are "high hazard." He says engineers are going to be assessing those watershed dams to see what needs to be done to fix them. [Source: *Brownfield*]

Investors Moving to Commodity Markets

Fear of inflation is driving investor dollars into commodity markets. Fund traders and speculators, including trend traders, are moving into the buy side of grain, oilseed, fiber and energy markets taking long positions. This activity is increasing price volatility. Planting progress is rapid but weather remains a market factor. Favorable rain and unfavorable rain are significant price moving factors. Increasing oil prices support corn and soybean prices. A good market strategy is to forward contract on market rallies. Dollar cost averaging weekly or monthly sales of up to 60 percent of expected production over a three- to six-month time period. It may be a good time to lock in fuel and fertilizer prices. [Source: *Delta Farm Press*]

Surprise Inspections on Nurse Tanks Continues

The Michigan Agri-Business Association reported on May 27 that the Michigan State Police Motor Carrier and USDOT inspectors launched a number of surprise inspections at anhydrous ammonia retailers on nurse tanks and applicators. Michigan joins the growing list of states

where inspectors are specifically inspecting anhydrous ammonia nurse tanks for the presence of ASME data plates, welding issues and tank markings. If you own or operate nurse tanks used to transport anhydrous ammonia, you should review the Nurse Tank Safety Advisory. If your nurse tanks have missing or illegible ASME data plates, you should seriously consider taking immediate action. Please review the Nurse Tank Safety Advisory to notify the ag industry of serious safety problems and noncompliance issues regarding the maintenance, filling, transport and use of nurse tanks in anhydrous ammonia service. Go to <http://www.nursetank.org/documents/2008%20DOT%20Advisory.pdf> to review DOT's Advisory. [Source: Asmark]

New Legislation Would Require Employers to Report Work-Related Deaths and Injuries

New legislation, introduced by Congressman Phil Hare (D-IL), would require large multi-site companies to regularly report to the Department of Labor on workplace safety and health. Under the Corporate Injury, Illness, and Fatality Reporting Act, employers with more than one establishment and 500 or more employees would have to accurately report the numbers and rates of work-related deaths, injuries, and illnesses at all of their worksites to the Department of Labor. They would also be required to provide compliance data regarding OSHA inspections and citations that have occurred at any or all of their sites. Reports would be due no less than once every year. Currently, companies are not required to report injuries unless three or more employees are sent to the hospital for a work-related event. This bill would, for the first time, mandate all injuries are reported. [Source: Asmark]

Lawmakers in Farm Belt Try to Steer Climate Bill

Farm Belt lawmakers said last Thursday that the climate legislation in the House may not get the votes to pass unless it is made more farm-friendly. The warning, sounded by Agriculture Committee Chairman Collin Peterson (D., Minn.), presents a new obstacle to the White House's effort to get a bill passed this year. The objecting lawmakers - both Democrat and Republican - used a hearing of the House Agricultural Committee to call for changes in the bill that, if adopted, could steer more money to farmers who engage in environmentally friendly practices. The lawmakers are also seeking to blunt potentially tough new regulation of the biofuels industry. The move follows successful efforts by lawmakers from industrial and coal states to win free pollution permits for coal-fired power generators and other industries under a system proposed in the bill that would also cap greenhouse-gas emissions.

House leaders want a full House vote on the Waxman-Markey bill in the next few weeks so they can turn their attention to health-care legislation. The timetable could give lawmakers who object to

provisions in the more-than-900-page bill leverage to demand further changes. Thursday's hearing also previews the struggle ahead in the Senate, which has yet to take up climate legislation and where rural states have even greater influence. Supporters of the Waxman-Markey bill are concerned that amending the proposal to please farm-state lawmakers could undermine support for the legislation among environmental groups and lawmakers opposed to ethanol subsidies. At last Thursday's hearing, Agriculture Secretary Tom Vilsack urged lawmakers to see climate change "not simply as a problem but as an opportunity for those who make a living on the land."

A provision in the legislation sponsored by Reps. Henry Waxman (D., Calif.) and Edward Markey (D., Mass.) would allow businesses to meet their emissions reduction targets through agricultural offsets. These could include paying farmers to engage in activities that reduce or avoid emissions, such as capturing and sequestering the greenhouse gases of livestock or directly injecting the soil with seeds rather than plowing the ground and causing the release of carbon. The Energy Information Administration has, in recent years, estimated the value of so-called agricultural offsets at as much as \$24 billion annually. The Agriculture Committee's Mr. Peterson said he and other Farm Belt lawmakers were troubled by a recent Environmental Protection Agency analysis that found the market for agricultural offsets would be much smaller than \$24 billion. [*Source: Wall Street Journal*]

UPCOMING EVENTS

JUNE, 2009

- 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.*

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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