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August 26, 2009

FROM STEVE'S DESK

by Steve Taylor



Government for the People

Members of Congress are on recess and town hall meetings on health care legislation are making national headlines. Taking a look at recent news, it seems more people are interested in what their government is doing, or doing to them, and letting their elected officials know their thoughts. At MO-AG, engaging the government is nothing new.

A couple months ago, I wrote here in the *Wrap-Up* about HR2454, the American Clean Energy and Security Act of 2009, or otherwise known as the "cap and trade" climate change legislation. HR2454 passed the House and now action is expected in the Senate this fall. Agriculture will surely be impacted by climate change legislation. One issue is whether agriculture will benefit more from carbon sequestration credits than it will be harmed by increased production costs. An analysis conducted by the Science Applications International Corporation (SAIC) indicates that natural gas prices could increase as much as 73%. Of course, natural gas is a primary ingredient in nitrogen fertilizers. According to The Fertilizer Institute (FTI), fertilizer costs will increase greatly. Also, the National Grain and Feed Association has voiced concerns that cropland might be converted into forestland.

MO-AG is a member of the Energy Alliance which has elevated concerns about the possible increased energy costs due to climate change legislation. I would encourage you to [click here](#) for more information regarding the economic impact of climate change legislation.

The regulatory agencies, including EPA, have been busy, as well. The EPA has proposed new rules regarding standards for hazardous air pollutants for area sources for feed manufacturing. Basically, feed mills that use manganese compounds and/or chromium compounds could be required to implement a variety of management and equipment control practices. EPA says this is necessary to reduce hazardous air pollutants. It also would require affected mills to report compliance to EPA. The most troubling part of the rule requires some mills to install technology that may not be widely available.

Shawntee Feed and Seed
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EPA is proposing these standards due to a court ruling in a lawsuit filed by the Sierra Club. Due to the extensive and complex nature of this proposed rulemaking, MO-AG sent comments to EPA asking for an extension of the 30-day comment period. But, that request was denied with EPA citing the court ordered deadline.

MO-AG appreciates the work of the National Grain and Feed Association (NGFA) on this issue. The NGFA factsheet which provides more information on this issue can be found on the MO-AG website by [clicking here](#).

On another issue, EPA has published a draft endangered species assessment for fomesafen, the active ingredients in several herbicide products used for soybeans and other crops. EPA has proposed large buffer areas limiting the use of the product to protect endangered plants and animals and critical habitat area. MO-AG sent comments to EPA stating we are concerned that this assessment will set an overly restrictive precedent for all active ingredients in the future. On a related note, the environmental activist group, WildEarth Guardians, recently petitioned the U.S. Fish and Wildlife Service (FWS) to list various insects and weeds as endangered and to limit human activity around the habitats of these species.

These are just some of the top issues. I could go on, but I am sure you get the point. There seems no end to the regulatory challenges that we have before us. And, it is not just the Executive and Legislative branches of government that we are engaging. See the article below in "News You Can Use" regarding CAFOs in Missouri and you'll notice we have not left out the Judiciary.

Until next time ...
Steve

MEMBER NEWS

2009 MO-AG Regional Meeting - October 6 Country Club of Missouri - Columbia, MO

Don't miss this opportunity to golf at one of the best golf courses in Mid-Missouri and meet with some fellow MO-AG members. The registrations for the 2009 MO-AG Regional Meeting at the Country Club of Missouri in Columbia, MO are due by October 1. The registration brochure has been mailed and is now available online at www.mo-ag.com.

**USDOT Hazardous Materials Transportation Workshop
September 17 - Springfield, MO**

This one-day workshop provides an overview of how to use the HMR and a summary of many of the requirements found in the HMR which can affect transportation safety to include: Training Requirements, Packaging, Hazard Communications, and Security. [Click here](#) to register. For more information, [click here](#).

NEWS YOU CAN USE

Nixon Mulls CAFO Options - Ruling Restricts Hog Farm Sites

Gov. Jay Nixon's administration is weighing whether the state should continue its appeal of a judge's decision that prohibits the location of concentrated animal feeding operations near state parks and historic sites. Scott Holste, a spokesman for Nixon's office, said that a meeting to discuss legal options has been held with Department of Natural Resources (DNR) Director Mark Templeton and with representatives of Attorney General Chris Koster. Holste said a decision would be made soon on whether the state would continue to pursue the case that is pending in the Missouri Court of Appeals in Kansas City.

Environmental groups, including the Sierra Club's Missouri Clean Water Campaign, have criticized Nixon's administration for not withdrawing the appeal, which was filed under Nixon's predecessor, Republican Gov. Matt Blunt. Ken Midkiff, Clean Water Campaign chairman, said environmental groups supported Nixon, a Democrat, in last year's election because they believed Nixon would protect state parks and historic sites.

During a Sept. 29 speech at the historic village of Arrow Rock, Nixon told members of the Missouri Parks Association that the role of DNR was to regulate polluters and, "without any doubt, protect our state parks and historic sites." "Apparently, gubernatorial candidate Nixon's statements and Gov. Nixon's actions are two completely different things," Midkiff said.

The Missouri Parks Association was the plaintiff in a suit against DNR over its approval of a permit for a 4,800-head hog farm near Arrow Rock. In a decision that could affect the rest of the state, Cole County Circuit Judge Patricia Joyce ruled last summer that a CAFO could not be located within 15 miles of Arrow Rock. Joyce later revised the buffer zone to two miles. The large hog farm was not completed and the permit expired. The state DNR appealed the decision and agriculture groups, such as the Missouri Farm Bureau, sought to join in the case.

Robert Brundage, an attorney for the Missouri Agribusiness Association and four other farm producer organizations involved in the case, said at this point in the litigation, his clients were "aligned" with

DNR. He said his clients' positions in the case will be included in written arguments that are due to be filed by the end of the month. Attempts to reach Farm Bureau representatives for comment were unsuccessful.

Richard Miller, lawyer for the Missouri Parks Association, as well as the Village of Arrow Rock and the Friends of Arrow Rock, said he was "very surprised" the Nixon administration is continuing the appeal in light of the statements he made during the political campaign. [Source: *Columbia Tribune*]

Vilsack: Rural America ... Heart and Soul of Country

U.S. Ag Secretary Tom Vilsack acknowledged to farmers in Missouri that they're in a highly stressful position, but says he has great confidence in those who farm. "This place we call Rural America is, in my view, the heart and soul of this country," Vilsack told the more than 100 people at State Fair Community College in Sedalia, Missouri. "In my view, this is the place where we celebrate family and community every day."

Vilsack, holding the 16th in the administration's Rural Tour series of town hall meetings, fielded questions and concerns ranging from "Cap and Trade" to the woes of dairy producers. Versailles, Missouri producer Dwayne Shad asked Vilsack what can be done to provide greater certainty that lenders stay with struggling hog and dairy producers.

"I think it's great that they're doing it, it's just if they for sure take the information they get, the comments that are made back and really study them and do something about it," Shad told Brownfield following the event.

Vilsack talked to reporters before departing, but prior to meeting with farmers, Vilsack and Congressman Ike Skelton toured the Show Me Energy Biomass Cooperative in Centerview, Missouri. "Obviously, this has been a good opportunity for me to hear what's on the minds of folks in this state," said Vilsack, addressing reporters following the town hall gathering. "Show Me Energy was an important opportunity for me to see yet another technology that's evolving, that I think is going to create new opportunities in rural communities and new markets for farm products." The Obama Administration's "Rural Tour" began in June. [Source: *Brownfield*]

Pro Farmer Puts 2009 Corn Crop at 12.81 Billion Bushels

Following the completion of the annual crop tour, Pro Farmer pegs 2009 corn at 12.807 billion bushels with an average yield of 160.1 bushels per acre and has soybeans at 3.150 billion bushels with an average yield of 41.0 bushels per acre. The corn number is up modestly from USDA's estimate earlier this month while the soybean number is down slightly.

However, Pro Farmer notes that the estimates assume a "normal" finish to a growing season that's really been anything but normal, adding that if there's a frost before September 25, the crops won't reach these numbers. [Source: *Brownfield*]

Governor Announces Initiative to Expand Broadband Across Missouri

Missouri Governor Jay Nixon told a large agriculture audience gathered Aug. 20 for the Governor's Ham Breakfast at the Missouri State Fair that one of his administration's main goals is to get rural Missourians better connected.

"We are teaming up with electric cooperatives and will start by building 2,500 miles of fiber-optic cable and constructing 200 new broadband towers across the state," Gov. Nixon said. "This should help build opportunities for farms, agribusinesses and agricultural trade."

Earlier this month, Gov. Nixon visited the headquarters of Sho-Me Power and Sho-Me Technologies in Marshfield to announce that the state and Sho-Me Technologies have partnered together to apply for \$142.3 million in federal recovery funds to significantly expand the reach of broadband Internet service in Missouri. A critical piece of the five-year MoBroadbandNow Project, this initiative would expand broadband accessibility to 91.5% of the total population, a significant increase from current projected accessibility of 79.7%.

Under the application, which was filed Aug. 13 with USDA and U.S. Department of Commerce, the state and Sho-Me Technologies requested \$142,300,000 in federal recovery funds to help lay 2,500 miles of fiber-optic cable and construct 200 new broadband towers across the state. To make this project feasible, the state of Missouri would provide \$25.2 million in matching funds, if the application is approved and funded, and Sho-Me Technologies would contribute \$8.375 million in fiber lines along the new network.

"Just as the railroads and interstates transformed Missouri communities in decades past, this massive undertaking would truly help connect every corner of Missouri with the information superhighway of the future," Gov. Nixon said. "This project has the potential to connect doctors and patients across our state at the speed

of light; open the doors of our colleges and universities to students in every corner of Missouri; and expand markets for our small businesses not only around Missouri, but all across the globe. We will compete for every possible dollar to turn this project into reality and bring the tremendous resources of broadband Internet to homes and businesses in nearly every community in the Show-Me State."

First-round applications for recovery act broadband funds were Aug. 14. The first-round federal review process will take approximately 45 days, after which qualified projects will undergo further review. Initial award announcements are expected in December. [Source: *Missouri Ruralist*]

New Study Finds Fertilizer Manufacturing Sector Supports 244,000 Jobs in the U.S. Economy

The Fertilizer Institute (TFI) released a report that shows the U.S. fertilizer industry supports 244,000 jobs and adds \$57.8 billion in value to the U.S. economy. The study, conducted by Charles River Associates International, found that the fertilizer industry directly employs more than 24,800 people who produced fertilizers valued at \$15.1 billion in 2006. These jobs had an average annual compensation of \$76,000, which was almost 80 percent higher than the U.S. average compensation across all industries.

"For the first time, the CRA report quantifies the valuable economic contribution of the fertilizer industry to the U.S. economy," said TFI President Ford B. West. "We urge the Senate to review this report with an eye toward potential valuable job losses among the domestic fertilizer industry that could take place if, as we anticipate, climate change legislation leads to higher energy prices."

Any additional loss of U.S. fertilizer production could pose risks for the world's food supply. According to the report, "It is estimated that fertilizers are responsible for between 40 and 60 percent of the world's food supply. A quick calculation shows that if 50 percent of U.S. agricultural production is dependent on fertilizer, fertilizer use in the United States alone provides an economic value of up to \$300 billion. If even half of the fertilizer is assumed to be domestically produced, that translates to a domestic 'use' value of \$150 billion, or 10 times the production value for the industry." [Source: *The Fertilizer Institute*]

UPCOMING EVENTS

AUGUST, 2009

**27 North Central MCGA Sporting Clays
Tournament; Bogard, MO**

SEPTEMBER, 2009

- 11** **18th Annual Tiger Ag Classic; L.A. Nickell Golf Course; Columbia, MO**
- 30- Oct 2 Missouri Seedmens Association Annual Meeting; Lake Ozark, MO

OCTOBER, 2009

- 6** **2009 MO-AG Regional Meeting; Country Club of Missouri; Columbia, MO**

DECEMBER, 2009

- 6-8 Missouri Farm Bureau Annual Meeting; Tan Tar A; Camdenton, MO
- 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**
- 7-8 Missouri Governor's Conference on Agriculture; Hyatt Regency; St. Louis, MO
- 8-9 Missouri Land Improvement Contractors Winter Convention; Isle of Capri Hotel; Boonville, MO

FEBRUARY, 2010

- 10-11 Missouri Pork Expo

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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