



News & Views

A Monthly Publication Dedicated to the Feed, Seed, Grain and Farm Supply Industries of Wisconsin

Somebody Asked ■

Q.: What’s happening to changes to the Producer Security Fund law including when I have to get a CPA audit for the state grain auditors?

A.: Finally some good news on this front. After almost a year’s worth of delay and false starts, the changes are now working their way through the Legislature. Late last week, the state Senate and Assembly Agriculture committees held a joint hearing on the bill. John Petty, WASA Executive Director, was one of four individuals to testify in favor of the bill, with no opposition appearing.

The bill if passed would save the grain industry in Wisconsin an estimated one million dollars per year by raising the threshold level at which the state would require CPA audited financial statement instead of reviewed statements. Notably, the current system is based on a dollar level of producer purchases or storage levels in the case of grain warehouses. The new levels for grain dealers would be in bushels. In both the case of grain dealers and warehouse licensees, the levels calculate out at higher levels than the current equivalent levels. For comparison, here are the current levels and the proposed audit levels.

Grain Dealer CPA Audit Threshold			
Current		Proposed	
Either \$3.0 million or more in a single year, or more than \$2.0 million in two consecutive years worth of grain purchased from producers		2,500,000 bushels worth of grain purchased from producers in a year	
Grain Warehouse CPA Audit Threshold			
Current		Proposed	
500,000 bushels of storage capacity		1,500,000 bushels of storage capacity	

In addition the bill proposes technical changes to the statute, but also includes some rather substantial changes to producer eligibility in the case of a default. The proposed changes for denying producer claims include:

- Transactions between jointly-owned companies (that is, a producer owns more than 51% of both the seller and buyer involved in a transaction in which the buyer subsequently defaults). This ineligibility would not allow the fund to pay a producer for defaulting on himself;
- Grain deferred payment contracts where payment terms extend beyond 120 days past delivery (that is, no eligibility in which the producer could have been paid when title to the grain passed, but for whatever reason elected not to receive payment for longer than 120 days).
- A claim in which the producer had already been paid by check by the defaulting buyer more than 60 days prior to the default, but has not cashed that check. This is to cover the case in which a producer could have received payment in full prior to a default, but for whatever reason, did not even attempt to cash the check for more than 60 days. (Don’t ask. We know it’s nonsensical, but it has happened.)

While there is no guarantee the bill will pass the legislature this session, it does appear to be on a “fast track.” It is scheduled to be voted on by the Senate committee later this month, with the same expected from the Assembly side. The only opposition we have uncovered is simply some technical language and the notion the bill doesn’t go further in terms of true reform of the program. That said; the bill definitely moves in the right direction in easing burdens on licensees. We do not wish to fall victim to “The perfect (being) the enemy of the good” and hold up something that will definitely

help the membership. Instead, we will work to speed passage of the bill to take effect before the May 31 year-ends and will work to make even more beneficial changes in the coming year.

WASA Board Election Results■

The WASA Board of Directors had three seats (two regional representatives and the Feed Industry representative) up for election this year and the votes have been counted. Thank you to all of you who voted and to all our candidates. The newly elected members of the Board of Directors, along with information about them, are listed below.

Northeast District Representative:

Scott Rabe, Quality Roasting Inc., Valders

Scott is the owner and General Manager of Quality Roasting, Inc. Scott opened the business in 1991 as a small soybean roaster with 4,000 bushels of storage. Today, the soybean roasting and expelling facility has nearly 1 million bushels of storage. The facility runs 24 hours a day, five days a week. Scott and his wife Elizabeth live in Kiel with their 5 children.

Feed Industry Representative:

John Every, Vita Plus Inc., Loyal

John is the General Manager of Vita Plus-Loyal since 1999, a location which includes feed, grain, logistics, transportation and agronomy operations. He is a 1980 graduate of Cornell University in Ithaca, New York with a degree in Animal Science. John is a former member of the American Registry of Professional Animal Scientists and has successfully completed the National Commodity Futures Series 3 exam. He moved to Wisconsin in 1992, when he started his feed career with Tomorrow Valley Coop. In addition to being an avid bird hunter, he is a member of the Loyal Lions, as well as having prior service in other civic leadership positions. John is married to his wife of 30 years, Wendy, and they have three adult children, Kathryn, John and Michael.

Southwest District Representative:

Jon Accola, Premier Cooperative, Mineral Point

Jon has been the feed division manager at Premier Co-op, a full service cooperative including feed, agronomy, grain, and energy products and services,

for over 16 years. He also has been the grain merchandiser for the past eight years. During this time, Premier's feed sales have grown from about \$2.5 million to about \$22 million per year. In addition, grain marketing has grown from 400,000 bushels to over 2,000,000 bushels. Jon was raised on and is still part of a Registered Brown Swiss farm in south central Wisconsin. He received his Bachelor of Science in Agriculture from UW-Madison in 1984. Jon also recently lead the planning, construction, and startup of the Cooperative's new state of the art feed manufacturing facility that came on line at the end of 2008. Jon lives in Sauk City with his wife Gina and their children, Roxanne and Marty.

In addition, the new board met and voted to elect officers for the coming year. They are President Erik Huschitt of Badger State Ethanol of Monroe, Vice President Tim Lange of The DeLong Co., Inc. of Clinton, and Secretary/Treasurer Doug Cropp, Landmark Services Cooperative of Evansville.

We would also like to recognize retiring Board members Tom Lefebber of St. Nazianz Milling Inc., Saint Nazianz, John Van De Wiel of Cuba City Feed Mill, Inc., Cuba City and David Wiederholt of Riverdale Ag Service, Inc., Muscoda, for their service on the board and to the members of the Association. Each had served the maximum of two terms on the Board for a total of six years. Their leadership and insights will be missed.

A Note from the President■

The following is a note of introduction to the membership by the newly elected WASA Board President Erik Huschitt of Badger State Ethanol, Monroe.

I am honored to be given the opportunity to serve as your 2010 WASA President. WASA is the leading voice of Wisconsin's feed and grain industries; and it goes without saying that our industries are facing more challenges than ever. We as firms are often categorized as a feed company or a grain company; but I will hold firm on my belief we are all agricultural companies. Wisconsin's agricultural industry has and will continue to play the most vital role in our state's success. I am committed to the success of our agriculture industry and the mindset

that we will only sustain this success by working together for the common good. You have elected a very strong board of directors, and under John Petty's direction, I can assure you we will work tirelessly in a no nonsense manner to serve your organization's best interests.

Various Updates■

- **T**he Convention and Trade Show was a great success. We surpassed last year's 10 year record attendance levels, both for WASA-only and total registrations. The count for trade show booths was over 150 and limited to that number simply because we ran out of space! The television taping of Orion Samuelson and Max Armstrong's "This Week in Agribusiness" was a hit and will be aired over the coming weeks. WASA also moved to a format of having at least two dedicated WASA-oriented breakout session tracks. This was so well received; we will be doing it again next year. We are already planning for next year and have Dr. Dave Kohl of VA Tech confirmed as a speaker. You can be assured; it will be a great and informative program.
- We are currently interviewing candidates for the Safety Program Director position. We have several very good individuals that have applied and hope to have an offer made to a candidate in the very near future. With a position as important as this, we are working as quickly as possible to place an individual in the position. If you have any specific questions or needs, please contact the WASA office as in this interim time, we will still be able to provide solutions and answers.

Eldon Roesler Scholarships■

It's time for the Eldon Roesler Scholarships again. The criteria for consideration for the scholarships will remain the same and are as follows:

- be a Wisconsin resident,
- have completed one year of study at a Wisconsin university, college or vocational/technical college in an agricultural discipline or in another

discipline with the stated intent of pursuing a career in an agriculture-related field,

- have a minimum of a 2.75 cumulative grade point average on a scale of 4.0, and
 - can demonstrate in written form qualities of leadership, academic ability and financial need.

What do you need to do? Just copy both sides of the enclosed form and leave it on your counter and/or mention it to any employees or customers who may have an eligible child. If an applicant is awarded a scholarship that received their application from you, the resulting good will and potential positive publicity can't do you any harm. And all you have to do is have the applications on your counter or mention it to your employees. Not a bad deal.

We would also like to recognize and thank long-time WASA member and former Board member Bob O'Donnell who has retired from both his day job and as Scholarship Chair in the past year. Bob ably led the Scholarship Committee providing both leadership and insights to help make the program better. A tip of the hat and a thank you, Bob.

WASA Directory Update■

The following updates should be made to your WASA Directory.

New Members:

Greg's Feed & Seed Inc.
7282 County Rd. D.
South Wayne, WI 53587
Phone: (608) 439-5525
Fax: (608) 439-1988

Looking Down the Road■

Mch. 3-5 **NGFA Convention**
Maui, Hawaii

Mch. 10-12 **Purchasing and Ingredient**
Suppliers Conference
San Antonio, Texas.