



News & Views

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

John Malchine ■

Earlier this month, John Malchine, CEO and Board Chairman of WASA member Badger State Ethanol passed away suddenly. John was well known throughout southern Wisconsin, but his life and activities touched anyone connected however remotely with agriculture in our state. The following is an article reviewing John's life and activities from the *Wisconsin Farm Report*.

John Malchine of Racine County, active in politics at the state, county and local levels died (this month) while doing chores with his son, Mike. For several years Malchine served on the state Board of Agriculture, Trade and Consumer Protection. He also served one term in the state Legislature and was active in Farm Bureau, and received the Wisconsin Farm Bureau's Distinguished Service to Agriculture award in 2000. Malchine was 71. Malchine's family believes he had a heart attack in the barn where he collapsed. Despite some health issues nearly nine years ago, his family said he was keeping a very active schedule. Malchine was in his second tenure as town chairman, having been appointed to fill a vacancy in 2003. He also served as chairman in the late 1980s and early 1990s. He was seeking re-election at the time of his death. A farmer and entrepreneur, Malchine and his family ran one of the largest farming operations in Racine County, located just off Highway 36 west of Norway's Wind Lake community. He was a staunch advocate of technological advances in agriculture and was an early advocate of ethanol production. Malchine was an officer in Badger State Ethanol in Monroe and was involved in a development

company that built residential projects in the Wind Lake/Norway area.

It has been said many times since his untimely passing that John was one of a kind and his presence and passion for Wisconsin agriculture will be missed. Our thoughts and prayers go to his family members and to everyone who knew and was positively impacted by John's life.

Security Plan Update ■

As a result of a recent US Department of Transportation (DOT) Compliance Review, it has become necessary to amend the consolidated Security Plan and Vulnerability Assessment that was previously prepared by WASA.

During the review of this company's overall motor carrier program, the auditor determined that, among other things, the Enroute Security portion of the security plan was not sufficiently detailed. Specifically, the detail level that is required in the plan by a company which transports DOT regulated hazardous materials was not met, as well as the fact, that the date of the annual review was not documented.

In the past, there has been some conflicting information provided by both national and state organizations that indicated that only the "cover page" of the security vulnerability assessment had to be completed and provided to an auditor. While this *may* be true for some agency reviews, it is not when your plan has a transportation component that is subject to a DOT review.

Accordingly, WASA has amended the entire security plan, so that it now meets, or exceeds, the DOT "requirements," as well as the bio-security regulations established for all ag facilities by USDA, FDA, etc. A copy of the amended plan is available from the WASA office upon request. As the security vulnerability assessment is site-specific, you will

need to make a copy and complete the checklist for each location.

While you may not be using the WASA security plan format previously prepared, you may want to compare the WASA plan with yours and then make any changes that you feel are appropriate. WASA feels that it is in the best interests of your company to have one security plan that covers your entire operation, rather than a patchwork of plans that were developed to meet various agency regulations.

If you have any questions, feel free to contact the WASA office at your convenience.

Treated Seed and You■

We have recently been made aware of another situation in which treated seed somehow made its way into a commercial load of corn. Past occurrences of this have been both inadvertent and intentional. Whatever the genesis of the situation, we can not emphasize enough to our producer friends, this has got to stop. Whatever it takes to make sure this never happens is a small price to pay to avoid the potential mountains of problems that could ensue.

The current problem regarding the Canadian pet food manufacturer is now being traced to rat poison-contaminated wheat. Treated seed mixed in a commercial load could result in similar problems and you do not want to be in that string of suppliers that handled a commodity involved in a recall. If you think the issue is one that can be ignored and simply “blended away,” we would suggest you are playing a very dangerous game.

You may not be aware of a concept referred to as the “implied warranty of merchantability.” Unless a product is sold “as is” or “with all faults,” it is automatic. In essence, it means the product will do or is intended to do what it is supposed to do. For example, grain is assumed to be free of toxins or harmful materials because it is assumed it will be fed to livestock and thus cause no harm to those livestock or animals. Treated seed has the intended purpose of being planted and not fed to livestock. So, the sword cuts both ways. There is the same

implied warranty of merchantability granted you by your customers and, subsequently, to the buyers of your product, and so on, down the line. Don’t assume that a minute amount of treated seed, no matter how small, won’t be a problem. Some of the seed treatments used today have a zero-tolerance level in human food and animal feeds; Zero-tolerance means none, not a single kernel. A single kernel in a load could back it up to you and cost you dearly.

Ninety-nine point nine percent of producers understand this issue and comply, but all you need is one instance of a mistake or someone cutting corners to create a very serious issue. Don’t be part of the problem, please be aware of this issue and let your suppliers/customers know you won’t and can’t allow any treated seed in your inbound loads.

Regulatory Update■

There are several areas in which your association is working regarding issues in the coming year. First, the Department of Agriculture, Trade and Consumer Protection (DATCP) is working on a re-write of the grain and warehouse licensing rules and, possibly, governing statutes. One point that we have been pressing the last several years with the department is to restate the various thresholds in the rules and statutes from a dollar-based criteria to a bushel-based one. In the past, prices didn’t fluctuate that much, so it wasn’t an enormous issue. Well, times have changed and given the introduction of ethanol plants into the state and their accompanying impact on prices, a change in price levels over which the facility has no control will result in that company being forced into higher and more costly compliance areas. Let the decision to move into a higher compliance area of the law be made as a business decision by facility management rather than simply uncontrollable market price movement.

Secondly, we hope to remove the fee for grain trucks in the licensure process, thereby simplifying that process as well. We still haven’t quite figured out what the purpose of trucks being included on a grain dealer license form is.

Regarding, warehouse license fees; we're suggesting a structure that is based on what amount of depositor grain was actually stored at the highest single point during the past year. This would do away with the idea of both licensing all your facility's space or a minimal amount of it, and then either overpaying upfront or "nickel and dimeing" your licensed space levels up during the year as you need to do so. Basing the fee on the prior year, you license and pay for the amount of depositor space actually used. No more guessing and you will know exactly what your fees will be in the coming year for budgeting purposes. And it works better for the state regulators in that they now would also better be able to budget for the coming year, and regulation and enforcement would be simplified. All they would have to do is check to see if depositor grain entry levels match inventory and ask for the day during the past year on which management based their license fee level. Simple and hopefully easier for everyone involved.

Later this year, the feed industry will be addressing, potentially the greatest change to it since industry regulation began. The American Association of Feed Control Officials (AAFCO), which is comprised of state feed regulators, will be voting on a non-commercial model feed bill in August. In layman's terms; that is a model statute that could be adopted by the various states to provide regulatory authority over non-commercial feed mixers, that is, on-farm. The bet really isn't whether they'll pass the resolution but whether McDonalds and/or Wal-Mart will require similar compliance from their suppliers down to the farm before AAFCO and the states pass such a law. Stay tuned, it will get really interesting.

Eldon Roesler Scholarships

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.

Looking Down the Road

**WASA Industry Seminar:
"Biofuels: Opportunities and
Challenges for the Feed and Grain
Industry"**
Presented twice daily at each of the
following locations 11:30 AM &
6:00 PM

Mar. 27 Stoney Creek Inn, Mosinee

Mar. 29 Hazel Brown Leicht Library,
West Salem

**July 31 &
Aug. 1** Grain Quality Management School
presented jointly by NGFA &
GEAPS
Marriott St. Louis Airport Hotel

WASA Directory Update

The following updates should be made to your WASA Directory.

Changes:

Integrays Energy Services, Inc.
formerly WPS Energy Services, Inc.
124 W. Broadway, Ste 300
Madison, WI 53716
Phone: (608) 222-5170 ext. 2

As additions or changes are made throughout the year, we will notify you here in WASA N & V.