



News & Views

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

Agricultural Producer Security ■

We wrote in last month's newsletter regarding the Department of Agriculture, Trade and Consumer Protection's (DATCP) proposed administrative rule regarding increasing license fees for grain dealers and warehouses. It was pointed out "the proposal is simply an increased funding mechanism for the status quo." WASA has long argued for a complete review and overhaul of the program itself, and its funding, as well as the funding mechanism for administration of the program. Again, as we stated last month (and in testimony at the Department's hearing on this issue), "without fundamentally addressing how the department performs its regulatory mission, we will be doomed to repeat this entire sequence again in three to five years."

That is unacceptable to not only WASA members, but a whole range of agricultural groups in the state, both commercial and producer. This is not about large or small businesses or whether they pay their fair share, it's about changing the whole system to benefit everyone and control costs for everyone. Producers especially understand this issue, because they indirectly will bear the costs of any program. The issue is not whether to regulate the industry or not, but rather to develop a system that is cost-effective, prudent and workable.

We appear to have made some headway with our argument as DATCP is putting together a Task Force to address these very issues. The goal is to have statutory changes to the program in place for the new year's legislative session to consider. That's a very ambitious schedule, but one that we have pledged to work with the department. We don't know how this will all work out, but the starting point for the discussion for the Task Force will be a position paper that WASA had a hand in developing that pointed out problems and inequities regarding the program to department staff and the secretary's

office. As a reminder, WASA's position is and has been; fix the program before talking about any fee increases. At least the discussion about changing and fixing the program is beginning.

Harvest Overweight Law ■

We want to remind the membership that Wisconsin now has a calendar-based harvest overweight law. Basically, it has the same effect as the old emergency declarations, but no emergency declaration is needed.

So, from September 1 to November 30 of each year, a vehicle or combination of vehicles that has a registered gross weight of 50,000 pounds or more that is transporting corn or soybeans from the farmer's field to the first point of storage or processing may, without a permit, exceed weight limits by not more than 15%. This exception does not apply on Class "B" highways or on highways designated as part of the interstate system, except for that portion of I-39 between USH 51 and I 90/94.

In addition, it is important to note that this harvest exemption is limited to operations **within** the state of Wisconsin. The overweight exception **does not apply** to highway transportation in any bordering state (Illinois, Iowa, Michigan or Minnesota).

Please also be aware the harvest overweight exemption does not apply to trucks with registration weights under 50,000-lbs. or implements of husbandry. Wisconsin State Patrol is actively checking for overweight violations among trucks in this weight class. During these 'weight checks,' officers are also questioning drivers regarding hours of service and required daily vehicle inspections.

We have also included as an insert a copy of the Wisconsin Legislative Council memo detailing the law. We would suggest that you keep a copy of this in the cab of any trucks that you may run overweight during this time period. This way, your driver will

be able to show law enforcement that you are in compliance with the law, just in case anyone “forgets” about it being in place.

And another point, this law change didn’t happen all by its self. It happened because of your Association, the membership and your continued support. It’s a prime example of your association working for you.

Fraudulent USDOT Letter ■

There is a fraudulent letter making the rounds purporting to be from the US Department of Transportation (USDOT) Procurement Office. The letter requests that a “financial information release form” be submitted by fax in order for your company to be eligible for government contracts. As part of the process, you are requested to provide bank account numbers.

Do not reply to this letter. This is a fraudulent letter and is not being generated by the USDOT, Federal Motor Carrier Safety Administration, or Wisconsin Motor Vehicle Enforcement.

If you have any questions concerning any letter you get asking for any personal information about your company, please call WASA and we will be happy to go over the information with you and determine if the letter is legitimate.

Rail Fuel Surcharge Reporting ■

The Surface Transportation Board (STB) issued final rules earlier this month on requirements for railroads to report data related to fuel surcharges. The decision is very disappointing to the shipping industry as it will provide for little transparency for the marketplace and individual shippers to assess whether the fuel surcharge they are being assessed is fair and reasonably related to additional fuel costs.

Originally the STB had proposed that carriers report monthly data related to fuel surcharges. This final rule will only require quarterly data from the carriers, in concert with their current financial reporting requirements. But that's not the biggest concern with the outcome of the rule.

The STB is requiring only five numbers per quarter from each carrier, the first three of which are already

contained in quarterly financial filings of the carriers: 1) total fuel cost; 2) gallons of fuel consumed; 3) change in the total cost of fuel; 4) total revenue from fuel surcharges; and 5) revenue from fuel surcharges on regulated (including grain and coal) traffic. The STB rejected industry's suggestion that the carriers report separate data for major classes of traffic (such as coal vs. grain) so that the shipper could assess whether the surcharges are equitable between classes of traffic where the mileage-based surcharges are different across such classes (such as BNSF coal and grain surcharge rates). And the STB rejected a shipper proposal to add one other number to each major class of traffic: fuel consumption per mile, ton-mile or whatever unit of measurement on which the surcharge is based for that particular carrier.

Without the additional data, both shippers and the STB will have at best minimal new information to assess whether surcharges are reasonably related to fuel cost increases. Reasons for this include: 1) reported total fuel costs includes both gains and losses from hedging which will vary over time and tend to mask the underlying spot price of fuel on which surcharges are supposedly based; and 2) rail carriers changing the base for surcharges will also make identifying the relationship between surcharges and costs difficult. The STB and shippers will have no ability to determine the equity of surcharges across any variation in classes of service, except for a crude measure between regulated and total traffic. At the very best, if carriers keep a constant base for surcharges over several years, the STB can assess the rate of change in fuel surcharge revenue over time and track whether it is reasonably related to the change in market price for fuel on a system wide basis for each carrier.

As a reminder, WASA is a member of BadgerCURE, a Wisconsin rail shipper advocacy group working to protect the interests of “captive” shippers—rail customers who have only one Class 1 railroad capable of meeting their needs. We are working with shippers from other industries to make our voice heard on the national level. This venue is the only spot where any real change can occur. In

addition, WASA Executive Director John Petty has been invited by the House Transportation and Infrastructure Committee to testify on this and other rail competitiveness issues later in the year.

Source: NGFA

Homeland Security “No Match”■

We have included as an insert in this month’s newsletter an article by WASA member and law firm Michael Best & Friedrich, regarding the Department of Homeland Security’s (DHS) recent “No Match” rule. Please read the article for complete information on the impact of this rule on your business’ hiring procedures.

We wish to point out that DHS planned to provide guidance on the rule when the Social Security Administration (SSA) sent no-match letters later this year. However, a federal court in San Francisco on August 31 issued a temporary restraining order barring DHS from implementing the rule until completion of a hearing, Oct. 1. The temporary restraining order does not bar the SSA from sending no-match letters without the DHS guidance. We’ll keep you updated on any further developments regarding this important issue.

Congratulations on 100!■

Hundred year anniversaries, by definition, don’t happen too often. But we’ve got one in our midst, WASA member Dairyland Seed.

Started in 1907, Dairyland Seed Company is the only family owned business with plant breeding programs in hybrid corn, soybeans and alfalfa. The business has been owned and managed by members of the Strachota family since its beginning with members of the fourth generation now in management.

Dairyland has a strong history of innovation including developing the world's first herbicide-tolerant soybean in March of 1993. It followed that success by becoming the first company to exceed yields of 70, then 80 and 90 bushels per acre with the new soybean.

That success was followed by the development the world's first hybrid alfalfa in 2001, offering farmers

15% larger yields than competing seeds. And then in 2003, Orville and Marie Strachota (second generation owners of the company) were honored by the University of Wisconsin-Madison's College of Agriculture and Life Sciences for their "highly meritorious service to agriculture and agribusiness."

A well-deserved tip of the hat from all of us to a family and group of employees that truly have made the world a better place.

WASA Directory Update■

The following updates should be made to your WASA Directory.

New:

BFI Innovations, Inc.
2260 S Plymouth Rd.
Minnetonka, MN 55305
(847) 214-4685

Changes:

Agri-Partners Cooperative
438 W Ryan St.
Brillion, WI 54110
Result of the merger of the former
Cooperative Service Oil Company
and Progressive Farmers Coop

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

Looking Down the Road■

Jan. 23 **WASA Safety Day**
Kalahari Resort, Wisconsin Dells

Jan. 24 & 25 **WASA Annual Convention & Trade Show**, held in conjunction with the Wisconsin Corn/Soy Expo
Kalahari Resort, Wisconsin Dells

Route:

- General Manager
- Feed Department
- Grain Department
- Agronomy
- Safety Director
- Personnel
- _____

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***Have a Safe
and Prosperous
Harvest Season!***

