Minnesota Crop Production Retailers



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Memo to:

Minnesota Ag Wholesalers/Distributors

From:

Craig Maurer, MCPR Board Chairman Bill Bond, MCPR Executive Director

RE:

Direct to Farmer Sales and Dry Fertilizer Storage

Date:

February 4, 2009

On behalf of the members of the Minnesota Crop Production Retailers, this memo is directed to you to express concern about a noticeable trend in our industry to sell dry fertilizer direct to the farmer producers. We understand fertilizer changes ownership between brokers and many times this allows for product to be sold direct. However, whenever fertilizer is distributed to an unpermitted facility we all know that Minnesota laws and rules are being violated and a potential environmental incident is created. The MCPR urges discretion in customer choices when fertilizer is sold. We know most of the direct market fertilizer is being stored in non-permitted buildings. The Minnesota Department of Agriculture (MDA) requires all facilities storing dry fertilizer to be permitted. These practices lower the integrity of our business by placing fertilizer in facilities with no safe guards. Should these non-permitted storage facilities be the source of an environmental issue, the ramifications will move well past just the broker and producer involved.

Complying with federal and state laws and regulation, retailers have made significant investments in buildings, permit requirements, and cement to provide the proper safe guards against this type of environmental concern. Retailers live and do business in the very communities they serve. These safeguards are important to the good will and professional image they need to maintain. Our industry must constantly be aware that the decisions we make today is the path we will follow in the future.

Distributed to:

Archer Daniels Midland Company 4666 Faries Parkway Decatur, IL 62526

CF Industries Holdings, Inc. 4 Parkway North, Suite 400 Deerfield, IL 60015-2590

CHS P.O. Box 64089 St. Paul, MN 55164-0089 CHS-formerly Winona River & Rail 1000 E 3rd Street Winona, MN 55987-4600

DeBruce Grain, Inc 4100 N. Mulberry Drive Kansas City, MO 64116

Gavilon Fertilizer 7632 County Rd. 101 Shakopee, MN 55379

Hefty Seed Company 47504 252nd Street Baltic, SD 57003

J.R. Simplot Company P.O. Box 27 Boise, ID 83707

Koch Industries, Inc. P.O. Box 2256 Wichita, KS 67201-2256

North Star Commodities Attn: Al Klice 700 US Trust Building 730 2nd Avenue South Minneapolis, MN 55402

Northern Ag Service, Inc. Attn: John Scabinger 105 Armour Street – PO Box 307 West Union, IA 52175

Peevey Red Rock Terminal 1061 Red Rock Road St. Paul, MN 55119

Quali-Trade 512 Broadway St N Jordan, MN 55352-1339

Terra Industries Inc. 600 Fourth Street Sioux City, Iowa 51101

The Mosaic Company Atria Corporate Center Suite E490 3033 Campus Drive Plymouth, MN 55441