

The Reporter

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August 2008



Welcome to South Africa!

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Announcements

Births

Brock Stanley Vipond, son of Todd and Jolene Vipond of Norcross, MN, was born on April 9, 2008. He weighed 9 lbs., 6 oz. and was 21 inches long. The Viponds are Minn-Dak shareholders.

Grandparents are Larry and Annegine Vipond, also shareholders, of Herman, MN.

James Henry Roche, son of Dave and Meredith Roche, was born on April 14, 2008. He weighed 6 lbs., 5 oz. and was 19 inches long.

Grandparents are Dave and Rae Ann Roche. Dave is Minn-Dak's President and Chief Executive Officer.

James joins sister Maggie (20 months) at home.

Annual Meeting Reminder

The 2008 Annual Meeting registration will be handled the same as it was last year. There will be no pre-registration. Instead, all registration will be done the day of the annual meeting, December 9, at the Holiday Inn in Fargo.

David Kragness, former American Crystal Sugar Board Chairman, will be the luncheon speaker and Tim Cavanaugh will be the banquet entertainment. If you would like a sneak peak at Tim's performance, go to www.timcav.com. In the column to the far right click on the link that says "Check out Tim's video."

One the cover: Minn-Dak Agriculturist Mike Metzger stands with farmers from South Africa as part of his MARL trip. For the story, see page 4. As a side note, it's interesting to know that Mike is always prepared no matter where he goes thanks to the "rolling office" in the back seat of his truck. Reference books and other supplies take up most of the seat, save for the child's car seat for his daughter.



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Sweetening life
in the Red River Valley
since 1974

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Relay for Life a Success

By Chris DeVries

Something happens inside you when you see a loved one hurt by something as devastating as cancer. Many people have felt it in one way or another. Minn-Dak Farmers Cooperative's (MDFC) Communications Manager Susan Johnson knows full well what that feels like. Her daughter Kate Hukee was diagnosed with breast cancer a year ago. And since then, Susan's become more involved in the fight to stop this horrible disease. One way was the Relay for Life event held at the NDSCS Blikre Activities Center on June 13.

"Angel Koltes, a friend of Kate's, approached me about Minn-Dak participating in the event," Johnson said. It started as a possible donation and turned into full-blown participation on behalf of the co-op, to the point where MDFC had not one team, but two. Many employees, shareholders, and friends heeded the call and joined.

"My Grandma, mother-in-law, and father-in-law have all died from cancer," said Nancy Wulfekuhle, MDFC's Information Systems Assistant. "I wanted to help in some small way as a tribute to my relatives and friends."

That sentiment was echoed by many.

"Hopefully, one day my grandchildren will not have to worry about this terrible disease," said Jen Shafer, MDFC Accounting Clerk II.

The event was hampered a bit by rain this year, and it was moved inside the Activities Center.

"The first year was a learning year," said Johnson. "We discovered things to change for next year."

The relay is held over a 12-hour period, and the idea is to keep someone from your team walking the entire time. And

while one or more team members are walking, the others are manning their booth or exploring other teams' ideas. The MDFC teams, for example, had a lot of games and focused on entertaining the children at the event.

The relay also involves the lighting of candles in honor of those who have fought the disease. But because the event was held inside, fire codes would not allow it. The luminaries were still there for people to see how many lives have been touched by cancer.

"It's a pretty emotional experience," Johnson said.

And plans have already begun for next year.



Minn-Dak Relay for Life team members Angel Koltes, Susan Johnson, Melonie Haan, and Kate Hukee.

"I thought the event was great," said Danyell Mund, MDFC Purchasing Assistant. "I would do it again in a heartbeat."

"I will definitely be participating again next year," Shafer said. "Minn-Dak had a great team, I'm very proud of the money we raised!"

The teams sold raffle tickets as a fundraiser, and plans on soliciting even more prizes for

next year. There is also the hope that next year's event will be stronger as the night rolls on.

"I was a little disappointed that so many people left early," said Mund. "More events throughout the evening to keep teams involved would be good."

Hukee and Koltes, however, stayed through the event and saw the clock hit 3:30 a.m.

"I was inspired to do more next year," said Johnson, referring to her feelings after the event was done.

"I'm really glad that I took part," Wulfekuhle said. "It's a very good cause." ■

Mr. Metzger Goes to South Africa

By Chris DeVries

“It was the trip of a lifetime.”

That’s how Mike Metzger, Minn-Dak Farmers Cooperative (MDFC) Agriculturist, describes his journey to South Africa last spring as part of the Minnesota Agriculture and Rural Leadership (MARL) program.

It was Metzger’s first “trip across the pond” as he put it, and listening to him talk with great passion about that two-week event, it was certainly worth it.

The MARL program exists to, according to its vision, “develop the skills of Minnesota agricultural and rural leaders so they may maximize their impact and effectiveness in local, state, national, and international arenas.”



The trip to South Africa was the swan song of Metzger’s class.

The MARL group was coached on international habits and customs, including one particular meal that will be discussed later.

On the trip, Metzger had the unfortunate luck to be in crutches thanks to an injury sustained before the

group left the U.S. That did, however, work to his advantage on more than one occasion.

For example, the main goal of the trip was to visit three farms a day and learn how other cultures go about their farming business. Some farms they visited were massive (one had over 100 tractors and 300 full-time workers), while others were small sheep or other niche farms, such as those raising ostrich or crocodiles. If you raised an eyebrow at that last one, you probably weren’t alone. That farm had over 8,000 crocodiles that are raised for skins and meat, and it’s not something you’re going to see anywhere near our neck of the woods.

On the farms that raised crops, the most popular were maize (corn), soybeans, and small grains.

While on these farms, there were often tours where a lot of walking was involved. And since Metzger was on crutches, he was unable to trek along with the group, so he would stay behind and talk to the spouses and farm workers. He felt that he received a lot of insight into the operation because of these talks.

“It was a one-on-one conversation,” he said. “You’re not one of 30 people firing questions at them. It was a unique experience that way.”

A Different World

The farmers themselves reciprocated the interest the MARL group showed, as Metzger noted that they were just as curious in American farming as the MARL group was in their ways.

“They had never heard of a sugarbeet,” said Metzger, as all their sugar is from cane.

And when told about how we’re able to grow and store sugarbeets due to the cold temperatures, they were in shock.

“They couldn’t understand why anyone would live here,” Metzger said.

Of course, the culture-shock of being in another country will bring moments of disheartenment from time to time.

“The poverty blew me away,” Metzger said.

In some of the townships, or what we call projects, they have a goal: no one will have to walk more than 200 feet to get to running water by the year 2015. It was easy for Metzger to see that some of the things we take for granted, and have for many years, is something that is only a goal for some people, and not attainable for over a half decade to come.

Even worse, much of the black population does not live past the age of 50 due to the ardent AIDS crisis gripping the country.

But Metzger was sure to take something from seeing that epidemic first hand.

“That’s the beauty of the MARL program. It opens up those avenues to get you close to these things and put them in perspective, then apply them to your life.”

The Fun Side of the Other Side of the World

The group took the two Sundays they were in South Africa off from business as usual and took in sights and activities of the country. They went to Kruger National Park in Hayfield, the largest game reserve in South Africa, where the group witnessed the “big five” game animals of Africa: lion, leopard, rhino, elephant, and cape buffalo.

And another event led to Metzger’s second example of his injury becoming an advantage. When the group attended a professional rugby game in Pretoria, he was seated in a wheelchair and taken to a front-row seat on the 50 yard line, which gave him a better seat than anyone else in the group. The game, by the way, was attended by over 70,000 spectators.

Just Don’t Drink the Water

The MARL group found, as many international travelers do, that drinking the native water was not a good idea. And there was no such thing as bottled water in the places they visited, which led to only one option.

“The food was good, but you had to be careful because you’re system just isn’t used to it” said Metzger. “And we didn’t drink the water. Had to drink warm beer much of the time.”

And although most of the food was good, it wasn’t always easy to get through. As American tourists, they were often treated as dignitaries. And as such, the red carpet was rolled out. A typical dish served was lamb curry on white rice, butternut squash, fish, and maize.

“That was a very fancy meal for them,” Metzger said. “So everywhere we went, that’s what they made.”

And of course, there’s the visit to an indigenous village where meal worms and crocodile were served.

“They had gone through a lot of work,” Metzger said. “It would have been a huge insult not to eat it, so ‘down the hatch.’”

He remembers the taste not being too good, but eating it anyway as he knew that it was probably more than they had to eat at any time during the week.

And after the 26-hour plane ride home, one thing was definitely a welcome sight to Metzger and the rest of the MARL group.

“I was so happy to get home and have McDonalds,” he said. ■

Shareholders Take Action

By Simone Sandberg, Legal Counsel

At a Special Shareholders’ Meeting held on July 16, 2008, two amendments to the Minn-Dak Farmers Cooperative Bylaws were approved. The first amendment added a new section to ARTICLE XVI STOCK CERTIFICATES as follows:

Section 3. Voting Rights. Each eligible holder of common stock who is other than a natural person, shall designate a representative to cast its member vote in the affairs of the cooperative. No individual shall be eligible to cast more than one member vote at any member meeting of the cooperative, whether acting in his individual membership capacity, in a fiduciary capacity for another shareholder, or as a representative of a member other than a natural person.

Each holder of common stock will continue to have a voting right based on the ownership of that stock. Any one person will be able to cast only one vote whether on his own behalf or on behalf of an entity. Every entity will be required to designate a representative who is authorized to cast its vote. The approval of this section re-enforces the cooperative philosophy of ‘one man, one vote’.

The second amendment approved added a new section to ARTICLE XXII UNIT RETAINS as follows:

Section 5. UNIT RETAINS PAID IN MONEY. The corporation shall pay a price per pound of extractable and bonus sugar to the shareholder for beets delivered and accepted by the corporation in the form of a unit retain paid in money, previously referred to as the “Grower Payment”. This Unit Retain Paid in Money shall be paid to a patron with respect to products marketed for him, the amount of which is fixed without reference to the net earnings of the organization pursuant to an agreement between the organization and the shareholder.

This change facilitates the pass through to shareholders and growers of the cooperative’s Domestic Production Activities Deduction under IRS Code Section 199. All payments for sugarbeets will be reported to shareholders and growers on a 1099 PATR Form. Everyone is encouraged to talk to their accountant and/or tax preparer about bookkeeping changes that may be required for tax purposes. ■

Inside the Safety Department



By Kevin Shannon
Safety Director

This column was created to let readers know what goes on inside the offices and factory at Minn-Dak Farmers Cooperative (MDFC). The writing of this column is assigned to department heads on a rotating basis with the subject matter left up to the writer. Why not let readers know what the Safety Department is and what they get involved with at the plant?

I am the Safety Director at MDFC, and also working in the department with me is Kurt Evenson, Compliance Technician. I have been involved in safety since 1992 and Kurt has been a part of the department since 1997. We both have worked at MDFC for over 30 years and have had experience in a number of different departments prior to working in safety.

As many of you know, the Occupational Health and Safety Administration (OSHA) was created in 1970 to regulate businesses involved in manufacturing and construction. It was created to help improve working conditions and reduce work injuries and deaths that had occurred in industry. There are many regulations written for general industry and construction that we are required to follow.

We get involved in employee orientation, employee training, First Responder training, security, hearing tests, radiation safety, emergency plans, personal protective equipment, confined entry, forklifts, atmospheric testing, chemical identification, OSHA training, workers compensation claims management, identification cards, access control, food safety, and more. I will expand a bit on some of the above.

For example, when we hire a new employee during the campaign season, they must go through an orientation session before they can begin working. The session involves safety, payroll, human resource, and food safety training. These are normally scheduled for Thursdays each week when we have new employees starting. These sessions last eight or more hours and all of the above subjects are covered with emphasis on general safety and food safety. This is done for every new employee at MDFC.

As I mentioned, food safety and security are important aspects

in any food manufacturing facility. A large part of Kurt's duties involve compliance issues related to food safety and security. Some of these are food contamination prevention, housekeeping, pest control, area inspections, supplier certifications, preventive maintenance, etc. Kurt serves on the Food Safety Committee with Jeff Carlson, VP Operations; Parker Thilmoney, Senior Engineer; Brent Muehlberg, Factory Manager; Upasiri Samawaweera, Technical Services; Ron Ehlert, Sugar Supervisor; Greg Haakenson, Maintenance Superintendent; and Ray Smith from United Sugars Corporation. They hold bi-monthly meetings to talk about, assign, and correct food safety issues.

“Our mission as a department is to correct safety issues and behavior on a daily basis and provide a safe workplace for all employees.”

■ Kevin Shannon

We also have a group of employees who have volunteered to be First Responders. These people have taken the initiative and time to become certified as First Responders through 40 hours of training. We have quarterly updates with the group led by a certified instructor to keep them up-to-date on treatment protocols for emergency situations. These people need to be recognized for their volunteer efforts and we are grateful for their service if and when we need them. The group consists of Pat Flaa, Mike Downs, Fred Beeson, Brenda Erickson, Lisa Christensen, Kyle Theisen, Joe Heger, Justin Biel, Amanda Puetz, Terry Steffens, Reggie Bladow, Bev Goodijohn, and Fred Tol.

As you can tell, it takes the efforts of all employees to make our workplace as safe as possible on a daily basis. Our mission as a department is to correct safety issues and behavior on a daily basis and provide a safe workplace for all employees. ■

2008 Legislative Update



*By Bruce Kleven
Minnesota Legislative Attorney*

The 2008 Minnesota legislative session came to an end just before midnight on Sunday, May 18, one day shy of the Constitutional adjournment date. Governor Pawlenty and legislative leaders were able to come to a session-ending deal to erase a \$1 billion projected budget deficit through a mix of spending cuts, additional bonding provisions, and tax provisions. The budget bill uses \$500 million from the state budget reserve, cuts \$355 million in state spending during the coming fiscal year, and raises approximately \$100 million by closing an out-of-state corporate tax loophole. The session-ending tax agreement provides \$60 million in local government aid in exchange for a 3.9% property tax cap on city and county levies for the next three years. The tax bill also provides \$25 million for additional state property tax refunds for those with household incomes that are less than \$77,520. The session-ending deal avoided the possibility of a special session, and also kept the Governor from unilaterally cutting budget programs after legislative adjournment.

Transportation Issues

During the first two weeks of the 2008 legislative session, a major transportation funding bill moved through several committees in both the House and Senate and was passed by the legislature. The final bill raises \$6.6 billion over the next ten years through a variety of funding mechanisms. The primary funding source is an increase in the gas tax from the current 20 cents per gallon to 28.5 cents by the year 2013. The increase will take place in the following stages: three cents immediately upon enactment of the bill, two more cents in August, and another three and-a-half cents by 2013 to pay bonds as they become due. The bill automatically raises the sales tax by 0.25% in the seven-county metro area for transit purposes, and allows the other 80 counties in Minnesota to increase the sales tax by 0.5% through a referendum. Finally, the bill increases license tab fees, in particular on luxury vehicles. The bill passed the House by a vote of 89-44 and the Senate by a vote of 47-20 on Thursday, February 21. The House vote of 89 was one vote shy of providing a veto-proof majority of 90. Governor Pawlenty vetoed the bill on Friday morning, but the legislature moved to override the Governor's veto on Monday, February 25. Six Republicans in the House broke ranks with the Governor and the veto was successfully overridden 91-41 in the House. The Senate followed later the same day and voted to override the Governor 47-20, with two

Republicans joining in the override, and the bill became law.

A second transportation issue of interest to Minn-Dak members is the bill to increase truck weights for agriculture. The new law increases gross truck weights for hauling "raw or unprocessed agricultural products" in trucks carrying up to 90,000 pounds on six axles and 97,000 pounds on seven axles. A six-axle truck can carry up to 90,000 pounds year-round and 99,000 pounds during the winter freeze period as set by MnDOT each year. The permit fee for this model is \$300 per year and is valid year-round. A seven-axle truck can carry up to 97,000 pounds year-round and 99,000 pounds during the winter freeze period as set by MnDOT each year. The permit fee for this model is \$500 per year and is also valid year-round. Both trucks are subject to the following limitations: 1) posted bridge limits must be followed, 2) all wheels must have brakes, 3) the truck may not be operated on interstate highways, 4) spring road restrictions must still be followed, and 5) the truck must have a permit from each road authority (e.g., a county) if required. An additional restriction for the 97,000 pound model is that the driver must have a commercial driver's license (CDL). The provisions become effective on August 1 of this year. MnDOT needs time to get the permit program together and additional details on the new weight permit program will be available later this summer. The use of these new trucks may vary from farm to farm, but the cooperative should see greater transportation efficiency as the outside piles are brought into the factory for processing.

Pesticide Regulation

Environmental groups continue to launch attacks on the legal use of approved crop protection products. Four different bills and amendments were offered during the 2008 session in an effort to undermine the use of farm chemicals. The first bill has been introduced each year for the past six years and it would make commercial spraying records public data and require commercial applicators to turn the records into the Minnesota Department of Agriculture. This bill was heard in Senate Agriculture Committee but was defeated by a vote of 3-8.

The second bill would take away some of the authority the

(Continued on page 8)



Sugar: All natural...15 calories per teaspoon

(Continued from page 7)

Minnesota Department of Agriculture has in the area of pesticide registrations by allowing the Minnesota Department of Health to oversee the final registration of agricultural chemicals. This bill was also heard in the Senate Agriculture Committee but withdrawn from consideration before a vote was taken.

The final attack was offered through two amendments to the omnibus agriculture policy bill on the House floor. The first amendment that was offered stated: "A pesticide application resulting in pesticide drift beyond the boundaries of the target site, whether intentional or not, is illegal." The second amendment stated: "Except for a pesticide application performed by a unit of government or its agent for maintenance purposes, it is illegal to apply a pesticide to a public right of way or to apply a pesticide on nearby property in a manner that results in the pesticide drifting onto a public right of way, whether the drift is intentional or not." Both amendments were adopted on a voice vote but were simply dropped in the conference committee because the Senate side did not contain any anti-pesticide language. Minn-Dak Farmers Cooperative will continue to work against unreasonable pesticide legislation in future sessions. ■

Minn-Dak Sponsors Summer Ball Teams

The young and the not-so-young are benefitting this summer from Minn-Dak sponsorships.

*Right: MDFC
t-ball team photo
by Chris DeVries*



*Below: MDFC
softball team
photo by
Becky DeVries*

