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Application Done Right

Misapplying chemicals on a customer's field is a problem—a big problem. When an agronomy business makes an application mistake, not only is it costly in dollar terms, but it can also strain the relationship between your company and your client—as well as your client's neighbors. Unfortunately, misapplication claims continue to come in each year. In fact, in some years, agronomy-related claims comprise over 50% of Austin Mutual Agribusiness' claim dollar values.

That's why when one of our policyholders rarely files a misapplication claim, we sit up and take notice. Gold-Eagle Cooperative, serving northwest Iowa, is one of those cooperatives. With nine agronomy locations spread between its three regions, Gold-Eagle custom-applied hundreds of thousands of acres for its customers in 2013 with a 12-person spraying team. "Gold-Eagle Co-op is in the top 100 largest cooperatives in the country, and they hardly ever have a spray claim," says Austin Mutual's Senior Risk Consultant Kent Voigt. "It's obvious they're doing something right."

According to Agronomy Manager Stu Pannkuk, the company's success in reducing the risk of application mistakes is a combination of policies, training, and attitude. And it all begins, he says, with a sprayer manual he introduced when he first took the position in 2002. "When I came on board, the co-op didn't have a sprayer manual," says Pannkuk, "and I'm finding out that a lot of companies don't use one." For Gold-Eagle, it's a critical piece in their toolbox.

Putting it in black and white

Covering everything from sprayer maintenance to safety, timing to inventory control, invoicing to buffer zones, the sprayer manual is a comprehensive guidebook for 'doing it right.' Perhaps most important, the agronomy manager himself takes time each year to review the manual with the operators.

"The spray operators report directly to their regional manager, but once a year I meet with our entire spray team," says Pannkuk. "We go through the manual and talk about the content." It includes the company's 'go/no-go' policy, for example. "I make it clear," he says, "that if they have any doubt whatsoever that they may not be in the right field, they are to call and confirm."

Additional practices that help keep agronomy claims to a minimum include coordination with the regional managers, who are responsible for checking on registered beehives and sensitive crops—passing information on to the operators. The sales team is charged with providing spray operators with thorough maps and spraying instructions, including water requirements and correct nozzle selection.

In addition, Pannkuk says that while Gold-Eagle provides its farmer-customers with flexibility in selecting products, his sales team does a good job of picking—and selling—a standard recommendation. "We pick a good recommendation and we pretty much sell it to everyone," he says. "When you spray the same chemical from job to job, you reduce the rate of error."

The injection difference

Equipment also makes an important contribution. Gold-Eagle utilizes chemical injection on all floaters and post-emerge sprayers. "We mix everything out in the field and not at the plant, reducing the chance of tank residues and contamination," says Pannkuk.

And, when it's time to begin switching from spraying corn to beans, the policy is to take one of a region's two machines, clean it thoroughly, and use it for beans only. "We'll make sure we have the majority of corn done so one machine can finish the corn and the second one can be cleaned and used only for

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Agronomy Claims: What Numbers Tell Us

With the 2014 crop-growing season on the horizon, it's an excellent time to review last year's agronomy claims and learn. Knowing what caused problems for agronomy businesses in the past can help our clients take actions to help prevent those same losses this year.

Take a few moments to review how your business did in terms of these frequent agronomy claims.

Austin Mutual's most frequently turned in agronomy claims:

1. Contamination (or rinsing errors)
2. Drift
3. Recommendation errors

Austin Mutual's highest–dollar agronomy claims:

1. Contamination (or rinsing errors)
2. Recommendation errors
3. Fertilizer misapplication

Agronomy claims that did not make the above lists but are worth noting:

1. Glyphosate/glufosinate/conventional errors
2. Wrong field
3. Shuttle claims

While drift claims tend to be one of the most frequent, they generally are not the most expensive. However, it's important not to use that as an excuse to be complacent about wind speed and direction.

Contamination claims make both the frequency and dollar value lists, highlighting the importance of rinsing applicators properly each and every time, and also thoroughly rinsing tender trucks, blending tanks, and other hoses/lines/tanks in agronomy plants.

Fertilizer misapplication

In 2013, fertilizer misapplication claims continued to be a problem, resulting in a large percentage of agronomy losses for Austin Mutual. Paying closer attention to applying uniform applications of dry fertilizers is a critical step in managing these claims. Misapplication of dry fertilizer generally happens either from a malfunctioning machine or improper calibration. Do not assume that calibration of a dry fertilizer machine for a low rate of a single fertilizer product will be correct when blending product at a higher rate. Applying variable-rate products with varying blends can further complicate the issue. Take time to calibrate correctly.

If you suspect a possible fertilizer misapplication claim, notify Austin Mutual as soon as possible so every attempt can be made to correct the fertilizer issue before it becomes a more expensive yield issue.

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beans," says Pannkuk. "We're very careful. Going from corn to beans, or vice versa, is very risky. Once we shift the machine to beans, we'll use it strictly for beans until we're through. That eliminates a lot of risk."

The people factor

Equipment and policies aside, this agronomy manager knows that Gold-Eagle's reputation for doing it right comes down to its spray operators. These full-time employees receive incentives for quantity of acres sprayed and for the quality of work performed, as well.

Pannkuk is certain that incentive pay makes a positive difference, but he's convinced that the cooperative's attitude toward the sprayers is critical. "We have good people and we make them a team," says Pannkuk. "I also let them know how important they are to the company." Not only does Pannkuk meet with them each year, he knows them individually, has their cell phone numbers, and will call them periodically during the season to see how they're doing.

"These operators feel like they're part of the co-op," says Pannkuk. "They have the ability to make us or break us, and I tell them that. They understand how important they are to our success."

SOUTH DAKOTA - The South Dakota Ag Cooperative Safety Directors Association (SDACSDA) met Jan. 22 in Mitchell, SD, with Jason Giefer of Capital Safety presenting on fall protection and Mike Monnens, safety and health consultant with South Dakota State University Extension, covering arc flash safety and general electrical room safety procedures.

Driving on Marbles

By Dave Saunders, *Risk Consultant, Saundersd@MSAGROUP.com*, PH: 605-359-2704

Faced with driving on a road covered with millions upon millions of marbles, no doubt you'd reconsider your driving habits. You might even decide against driving the company's truck, tractor, or sprayer on the uneven and movable surface, let alone pull a tank full of a hazardous material like anhydrous ammonia.

And yet, every day you drive on rural gravel roads you are "driving on marbles." Most of us have grown up driving on these roads, and we don't give it a second thought. But it's important to understand that loose gravel is a completely different—and more dangerous—driving surface than pavement.

Look at the statistics. According to the National Highway Safety Council, more than 60% of all fatal motor vehicle crashes occur in rural areas. A University of Minnesota Extension Service survey places the rate of fatal motor vehicle crashes nearly three times higher on rural roads compared with urban roads for an equal number of miles driven.

While all rural roads are not gravel roads, a road's loose gravel surface adds to the hazards of driving. A major concern is traction. Driving on any gravel surface, loose or hard-packed, is more difficult than driving on paved roads because tires do not have the traction needed to maintain stable control of your vehicle. A sudden change in direction, such as swerving to avoid an object or animal on the road, may cause you to lose control and end up in a ditch—or worse. Loose gravel is especially dangerous when driving at excessive speeds.

Braking on gravel

Older drivers were taught that if you start to slide or slip when stopping your vehicle, you should pump the brake pedal. With the anti-lock braking system (ABS) technology in most of today's vehicles, the last thing you want to do is pump the brakes in a slip/slide situation. Instead, you are to apply steady, constant pressure to the brake pedal. Feeling that brake pedal pulsating under foot and hearing the noise coming from the brakes can be unnerving, but it's the safest practice. The benefit is that the ABS technology generally offers improved vehicle control and decreases stopping distances on dry and slippery surfaces.

However, on loose surfaces like gravel or snow-covered pavement, ABS, while improving vehicle control, can significantly increase braking distance. That's especially critical to remember if you are towing equipment that does not have an independent braking system working in conjunction with the tow vehicle's own braking system. A good example is an anhydrous ammonia nurse tank trailer. Many nurse tanks do not have their own braking systems and rely solely on the braking power of the towing vehicle to provide the stopping power.

Pulling nurse tanks takes special precautions

While transporting these tanks, it's important to be aware (1) of the conditions of the road and roadway surface, and to allow for extra stopping distance; (2) that a nurse tank may not have a braking system and, instead, relies on the tow vehicle for stopping power, thus increasing stopping distance; and (3) that anhydrous ammonia weighs 5.69 lbs/gallon, adding as much as an additional 5,690 lbs of force pushing against the towing vehicle, again increasing stopping distance.

Adding to the hazards, a nurse tank is a smooth bore tank, with nothing in the tank to slow down the movement of the liquid when stopping or accelerating. There are many examples of trucks that, when trying to stop, have been pushed into the rear of another vehicle—or even pushed into an intersection or onto a railroad crossing—by the effect of liquids surging forward. The best practice is to give yourself plenty of space and time to stop at intersections, field entrances, driveways, etc.

Before the rush of the spring season, take time to review safe rural road driving practices with your staff. Don't let them 'drive on marbles' without the information they need to be safe. If you would like further assistance with additional training or a safety presentation, contact your Austin Mutual risk consultant.

Dave Saunders

Dave Saunders joined the Austin Mutual Agribusiness Division as a risk consultant in January. Covering the South Dakota, North Dakota, and western Minnesota territory, Dave brings an extensive background in industrial, environmental, and agricultural safety.

This former U.S. Navy aviator has worked in Kauai, Hawaii, and was responsible for the shipment and receiving of hazardous and non-hazardous materials for a Department of Energy test station. Most recently, he served as the Environmental Safety and Health Coordinator for a Monsanto research station near Sioux Falls, SD.

Agronomy/Propane Protection Connection

Normally, my newsletter articles focus on protecting your company from potential liability from propane explosions. I'm switching gears this time to concentrate on how some of the same principles we utilize for propane safety can help reduce your company's risk of agronomy claims.

When it comes to providing protection from liability, one of the most important actions you can take is to have documentation on hand. You've heard the saying, "If it is not documented, it did not happen." That's as true in the case of agronomy claims as it is for propane-related claims.

Documentation is worth the effort

When making recommendations to customers, put it in writing and keep a copy of the recommendations in your files. We've seen misapplication claims occur because an employee made a recommendation to a customer and the customer didn't correctly follow the recommendation. For example, one customer used a product that sounded similar to what the employee recommended. When he didn't get the anticipated results, he blamed the company. Without documentation showing what an employee actually recommends, a situation can turn into a finger-pointing scene that leaves everyone unhappy.

In the case of customers who have a history of being difficult, take extra care in documentation. Put everything in writing and, if possible, have the customer sign off on actions. It is a good idea each year to have all of your customers identify on maps the fields they want you to spray. That step should be mandatory with the customers who perennially cause problems.

Also, encourage employees to take photos while in the fields if they come across anything that doesn't look right. For example, if the weed problem in a field is worse than what the farmer described, they should take a photograph and file it. That way, in case the farmer complains later that you did not take care of the weed problem, the pre-sprayed photo can be helpful in your defense.

Documentation can be important when your company hires a third party to do aerial or ground application with their own equipment. Have a contract in place and get copies of their liability insurance. The contract should stipulate the duties and requirements for both sides of the agreement. The third party should carry at least $300,000 per occurrence in liability insurance. Failure to do so can result in your company paying for your contractor's mistakes.

As the pace picks up in your agronomy department this spring, don't forget to take time to document. It can save you the time you might otherwise spend working with Austin Mutual's claims department trying to settle complaints. Have a safe and profitable spring.

Brian Travis
Loss Control Supervisor/ Propane Specialist
Travisb@MSAGROUP.com
PH: 402-658-1831

NEBRASKA - The 2014 Ag Co-op Safety Director Leadership Conference on Jan. 14-16 in Council Bluffs, IA, took the place of the Ag Cooperative Safety Directors of Nebraska (ACSDNE) quarterly meeting (see "Leadership Conference Hits the Mark" on page 6). The next meeting is April 15 at the Holiday Inn® Grand Island.

Originally from Red House, WV, Dave is based in Sioux Falls with his wife, Beverly. They enjoy their mixed family of five children and seven grandchildren. Active in Masonic Lodge, he is a member of the clown unit of the El Riad Shrine based in Sioux Falls and is active in veterans' organizations, including the American Legion Riders.

"I'm anxious to bring the knowledge of safety I've gained over the years to the ag cooperatives I will be serving," says Dave. "I'm also looking forward to the opportunity to grow and expand my knowledge in the risk consulting field."

Avoid Livestock Water Contamination

You work in a business that focuses on servicing your farm customers. That's a laudable enterprise, but it can sometimes lead to requests for services that are outside your normal business model. It can also mean exposing your business to liabilities you may not have considered—case in point, when a farm customer asks to use your liquid nurse tanks to haul water for livestock or pull water for livestock from manifold delivery systems at your agronomy plant.

Two specific instances illustrate the problems that can arise when an agronomy business tried to help out their customers without taking the proper precautions.

Example one involves a cooperative that was attempting to help out a good customer who, in the midst of drought conditions, asked if he could use their nurse tank to transport water to his cattle. The nurse tank they selected had a few gallons of what they were confident was water. Unfortunately, it turned out to be 28% nitrogen and, even when topped off with more water, was concentrated enough to kill several head of cattle.

Example two involved a faulty butterfly valve in a piped manifold system at an agronomy plant. The piping system was plumbed to both the co-op's liquid fertilizer tanks and their water supply. Again, during a dry summer, a customer with a portable tank came in and wanted it filled with water. The co-op employees obliged and filled the customer's tank with what they assumed was pure water. What they didn't know was that the butterfly valve between their 28% tanks and water tanks was not closing completely and a small amount of 28% dispensed right along with the water, again, enough to kill several head of cattle.

Both instances were examples of businesses just trying to help out their customers and both ended up costing thousands of dollars to pay for dead and sickened cattle. It's difficult to refuse to help out good customers in need. If you want to keep this option open, ensure the liquid nurse tank is completely empty and then double- or triple-rinse before filling it with water for livestock, or keep a special tank that is 100% dedicated to water only. Avoid at all costs pulling water from a source with a delivery system that is not 100% dedicated to water.

We hope 2014 doesn't produce a drought situation and create the need for hauling or providing water for livestock. But, if you do get asked to fill customers' water tanks or let them use one of your tanks, take the needed precautions.

Kent Voigt
Senior Risk Consultant/Compliance Specialist
Voigtk@MSAGROUP.com
PH: 402-690-9089

IOWA – The Ag Cooperative Safety Directors of Iowa (ACSDIA) members met Jan. 22. The meeting included a panel discussion on the ACSD 2014 Leadership Conference "Time Out for Safety" that was held in Council Bluffs Jan. 14-16 and hosted by the Iowa and Nebraska chapters. Attendees were in agreement that the conference was one of the best they had attended, featuring very knowledgeable and motivational speakers.

During the meeting, Charles Hurburgh and David Fairfield also discussed the Food Safety Modernization Act (FSMA). The FSMA was passed into law in 2011 and will continue to take effect until the final deadline of June 30, 2015. At that time, all feed manufacturers will be required to be in full compliance, including being HACCP-certified.

ACSDIA's next meeting is scheduled for March 20 at 10 a.m. at the Ag-Information Center near Nevada, IA.

MINNESOTA - The Ag Cooperative Safety Directors of Minnesota (ACSDMN) met Jan. 8 for the organization's quarterly meeting. Bob Zelenka, executive director of the Minnesota Grain & Feed Association (MGFA), discussed how the two organizations can work together. Minnesota Department of Labor's Michelle Smith explained how to prepare for an OSHA inspection and what to expect during an inspection.

Members also elected officers. Dale Moore, West Central Ag Services, Ulen, was elected president, Dwight Nelson, Wheaton-Dumont Cooperative, was elected vice president, De Ann Miller, Watonwan Farm Service, Truman, was elected secretary-treasurer, and Tom Rausch, Federated Co-ops, Inc., Princeton, was named communication director.

The next quarterly meeting will be at 10 a.m., March 12 in Willmar, with the exact location to be determined. For more information about ACSDMN, including being notified about upcoming meetings, contact Rausch at *trausch@federatedcoops.com*. Those interested in learning more about the organization are invited to attend.

Austin Mutual AGRIBUSINESS
3905 S 148th St., Suite 100 | Omaha, NE 68144

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Leadership Conference Hits the Mark

When participation in an educational event more than doubles in just one year, it's obvious a need is being met. That's the case with the Ag Co-op Safety Director Leadership Conference held this past January in Council Bluffs, IA. The second annual conference brought in 140-plus ag co-op safety directors and industry service employees from seven states—more than double last year's attendance.

Sponsored by the Nebraska and Iowa Ag Co-op Safety Directors' associations, this year's conference theme was "Time Out for Safety." And, according to one of the event's steering committee members, its popularity seems to hinge on its focus: developing safety leadership.

"A lot of us get to go to conferences and hear from agencies like the EPA and OSHA, but we wanted this conference to be more of a leadership growth opportunity for safety directors," says Doug Dean, assistant safety director with Frenchman Valley Co-op in Imperial, NE.

The University of Minnesota's Dr. Michael Boland was one of six speakers at this year's Ag Co-op Safety Director Leadership Conference.

"Everybody has the same struggles in getting commitment from management and buy-in from employees and middle management. We felt the need to focus on that from a leadership standpoint. That type of conference, directed specifically to safety directors in the agricultural industry, really isn't available anywhere else."

This year's conference featured six high-power speakers, including Bob McCall, the general manager of fleet services for Duke Energy, based in Charlotte, NC, who spoke about getting a company's safety performance to the next level, and the University of Minnesota's Dr. Mike Boland, who discussed his unique perspective on cooperatives and safety cultures gained through a joint project between DuPont and several ag cooperatives.

"The response from participants has been very positive," says Dean, who says that the evaluations from attendees were all positive when asked if they would return next year and if they would recommend the conference to someone else.

Plans are underway for next year's conference, scheduled Jan. 12-14 at the Mid-America Center in Council Bluffs. Dean says the steering committee has been expanded to include representatives from additional states, including Nebraska, Iowa, South Dakota, Minnesota, Wisconsin, Michigan, and Illinois.

> ***"Continue in the direction of employee safety and behaviors. The last two years have been amazing."***
>
> ***—Conference Participant***

For additional information, or to pass on suggestions for topics or speakers, contact Doug Dean at 308-882-3229, *ddean@fvcoop.com*, or Brad Bousquet, vice president, Safety & Compliance, Central Valley Ag Co-op in Oakland, NE, at 402-685-1003, *bradbousquet@cvacoop.com*.

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