



MINIMIZING THE DRIFT

There's been an evolution, of sorts, happening at Country Visions Cooperative. Not only has this cooperative in east central Wisconsin been evolving in terms of mergers and growth over the past several years, but it's been evolving in its use of drift retardants, as well.

The use of drift retardants nationwide has been steadily growing as cooperatives become more concerned with crop protection and the problems that occur when chemical applications negatively impact nearby sensitive crops or areas. Prior to the mergers that make up today's Country Visions Co-op, some of the locations began using the early retardants about 14 years ago as a response to Roundup Ready[®] soybeans.

Tim Pagel, agronomy manager at the Chilton location, remembers the introduction of the drift retardants. "We first started with the polymer products," says Tim, adding that the early products had issues "snotting up" the equipment. The products used today at Country Visions Co-op are much improved and some of the best in the market, says Vice President of Agronomy Dennis Halbach.

Last year, Halbach says, the cooperative utilized drift retardants on approximately 50% of the acres covered by the co-op's eight agronomy locations. That number of acres will continue to grow, he says, but they have yet to initiate the use of retardant across the co-op's entire territory. "There are some places where farmers are a little slow to incorporate the concept," explains Halbach. "It's probably the cost and they don't feel they need it."

JUSTIFYING THE COST

The cost, he says, runs anywhere from 80¢ to \$2 per acre, depending on the product and rate used. "When they see it on their bill they'll sometimes ask why they're getting charged for the retardant and ask why we just don't spray when it's less windy," says Halbach. "What they don't always understand is that we get chased out of the fields so much already because of weather conditions, we do what we can to get the job done correctly—and drift retardant is helping us do that."

When trying to convince customers that the use of a drift retardant is worth the cost, Country Visions uses more than the argument of protecting nearby crops. "The retardant provides a better particle size of the chemical being applied," says Halbach. "When we're spraying herbicide on a post-emergent crop it gives us a more consistent pattern for killing weeds. The spray stays where it's supposed to instead of drifting and causing problems either to our customer's or someone else's crop." Country Visions is also utilizing some rigs equipped with injection units that allow an applicator to add the drift retardant on just the perimeter of a field rather than the entire field.

The growing use of drift retardants is one of the tools in the Country Visions application toolbox. In addition, before applying chemicals, the agronomy team is to check Wisconsin's DriftWatch[™] Specialty Crop Site Registry online in order to identify specialty crops, organic farms, or beehives in their spray areas. New applicators are also required to attend spray applicator schools for training.

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SUMMER 2014

CONTRACTOR SAFETY PROGRAM

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



As the weather warms, businesses will be gearing up to complete maintenance and building projects. Before work begins, take time to sit down with your contractor to review your company's contractor safety program. It's important that you discuss what is expected from a contractor in terms of maintaining

safety compliance with OSHA regulations as well as with state and local authorities.

Following are 10 tips to assist you in working with contractors.

- 1. Contract details:** Review the safety-specific parts of the contract and the scope of construction activity details.
- 2. Safety policy:** Review and ensure that the contractor understands and is expected to follow site-specific safety policy and procedures, including hot work permits, fire protection, confined space, overhead work, crane safety, fall protection, and eye, hearing, and respiratory protection.
- 3. Responsibilities:** Outline areas of responsibilities. Make clear what safety and loss-prevention requirements are expected to be met and maintained.
- 4. First aid and injury management:** Discuss and review the contractor's plan for first aid and injury management. Share contact information for area clinics and hospitals.
- 5. Public protection:** Discuss barricading and public access safety requirements. The vast majority of projects are underway while you maintain day-to-day operations, so safety to clientele is critical. Concerning after-hours safety, make sure that access to safety-sensitive areas is restricted, including

pits, ditches, roof access, and electrical hazards.

- 6. Incident reporting and investigation:** Discuss the importance of timely notification of all incidents. Suggest that your contractor assign someone from his or her team to serve as their safety contact. Include this person in your site safety committee meeting as well as serving on the incident investigation team.
- 7. Specialized work, licensing, and insurance:** Review and keep a copy on file of your contractor's licenses, permits, and certificates of insurance.
- 8. Chemical management:** Your contractor may require the use of various chemical and flammable and/or combustible materials. Explain your site's chemical management plan, including where chemicals are to be stored, handling/disposal methods, requirements for labeling secondary containers, and proper placement and securement of temporary ABG fuel tanks.
- 9. Safety monitoring:** Inform your contractor that you will be conducting random and unannounced safety inspections, sometimes called Work in Progress (WIP) inspections.
- 10. Sign off:** Prepare and have contractor sign a training sign-off sheet, noting the items discussed and reviewed with the contractor. Keep a copy for your records.

You have very high stakes in the work being performed at your facility, with the potential for injuries and the loss of valuable company assets and disruption of daily operations. Take time to be proactive to avoid the need to be reactive. ▶

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Halbach says the use of the drift retardant, combined with additional resources, is effective. "We've had fewer complaints," he says, "But we're not 100%." And, he says, the need to be vigilant, even with the use of drift retardants, is not going away. "It's going to be more challenging down the road when we have

beans that can be sprayed with dicamba or 2,4-D, and beans next door that aren't resistant to the chemicals. It will get to a point when you need to have the drift resistant product. It's becoming more challenging, not less, even with new products to help us." ▶



SOUTH DAKOTA—During the March 19 meeting of the South Dakota Ag Cooperative Safety Directors Association (SDACSDA), Troopers Christopher Halm and Brian Baldwin with Federal Motor Carrier Safety Administration (FMCSA) Enforcement, provided information on pre-trip inspections and what they look for during roadside inspections. They also provided a summary of agricultural exemptions in relation to MAP-21. Brian Baldwin, AHA First-Aid/CPR/AED instructor, discussed the importance of providing First-Aid/CPR/and AED training to employees. The next meeting will be June 18.

SUBCONTRACTOR PROTECTION

Many of our customers use subcontractors on a regular basis. Whether it's hiring someone to handle aerial application, a local farmer to apply anhydrous ammonia, or an HVAC company to do service work for propane customers, you need to take precautions to protect your company.

You may know and trust the person you hire, and perhaps you consider the job simple and straightforward. However, if you're hiring subcontractors with merely a conversation and a handshake, realize that issues can arise that can leave your company exposed. Fortunately, most of those issues can be prevented by agreements in writing. While it may take more time and money at the outset, written contracts can save you from expensive legal costs associated with surprises and misunderstandings or the expense of paying for a subcontractor's mistakes.



Hiring a subcontractor to help replace customer regulators is one example where you need an agreement in writing.

Example one: During a pinch you hire a local farmer with his own spray rig to custom apply some of your customers' acres, telling him you'll pay on a per-acre basis. The farmer, attempting to cover as many acres as possible, doesn't worry about the quality of his work. The result is unhappy customers who have poor application coverage, damaged crops, and/or drift issues. With no contract your company will most likely be left settling claims.

Putting an agreement in writing helps formalize the commitments of both parties. Remember, miscommunication can be extremely costly. As it is often said, "If it's not put in writing, it did not occur." In other words, it will be your word against the subcontractor's.

CONTRACT SPECIFICS

Your contract need not be long and can be written in simple terms. The contract should include what work the subcontractor has agreed to do and what requirements the subcontractor needs to meet in order to do the job. The contract should also include a hold-harmless agreement that protects your company from the subcontractor's actions. Finally, the contract



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should state what responsibilities your company has and how the subcontractor will be paid.

You should also get copies of the other party's insurance. Make sure they have sufficient liability insurance and, if applicable, workers compensation insurance. If not, and an accident occurs and they do not have insurance or they do not have sufficient insurance, even with a contract you could be brought into a lawsuit.

Example two: Your company hires a local plumbing company to replace some of your customers' outdated propane tank regulators. During the course of replacing one regulator they create a leak. However, because they did not do a leak test, the leak goes unnoticed. An explosion occurs, killing the homeowner and a subsequent lawsuit is filed. The plumbing company has a liability insurance policy but it has limits of \$100,000—not even close to enough. Your company could be left paying the remainder of the settlement.

Taking the time to hire the right subcontractor, making sure a contract is in place, and that you have copies of their insurance ensuring they have adequate coverage will pay off should something unforeseen occur. ▶

PEOPLE NEWS



ERIC ELGERT

Eric Elgert has joined the Austin Mutual Agribusiness division as a claims specialist. Eric grew up in the farming community of Aurora, NE. He has B.S. degrees in Business Administration and Economics from the University of Nebraska at Kearney and has worked the past 16 years in the insurance industry as an adjuster. Eric, his wife, Paula, and three sons live in Yutan, NE. He enjoys hunting, fishing, and golf.

WHAT'S UP WITH THE FSMA?

Richard Sanne has been spending considerable time becoming familiar with the Food and Drug Administration's (FDA) Food Safety Modernization Act (FSMA)—specifically the portion that pertains to animal feed. The executive vice president of the Nebraska Grain and Feed Association (NeGFA) advises businesses in the animal feed industry to pay attention to the proposed rule as well.

Considered a sweeping reform of food safety laws, the FSMA, according to the FDA, aims to ensure the U.S. food supply is safe by shifting the focus from responding to contamination to preventing it. It is divided into two rules: one that relates to human food and the other to animal feed, officially called the Current Good Manufacturing Practice (CGMP) and Hazard Analysis and Risk-Based Preventative Controls for Food for Animals. The initial comment period on that portion of the FSMA closed on March 31.

The Nebraska association was one of many organizations submitting comments to the FDA. The NeGFA also signed on to comments submitted by the National Grain and Feed Association and the American Feed Industry Association. Many of the comments centered on the concern that stringent human food rule regulations are unnecessarily being applied to the animal feed industry.

"Those in the animal feed industry do not have the controlled manufacturing processes as do those producing food for humans," says Sanne. He explains that if



Feed companies will especially feel the impact of the FSMA.

adopted in the original proposed format, the Act would have a huge impact on how a feed mill conducts business, even though there are no studies showing potential transmission of disease agents from humans (via illness) to animal food and then to animals.

FDA REVIEWING COMMENTS

Currently, the FDA is reviewing comments. He says he expects the agency will be rewriting—and perhaps loosening—some of the requirements, with a revised rule open for comments sometime this summer. "There is potential for major changes," says Sanne, "and those changes could impact who in the industry would have to comply and what will be required." The FDA is under a court order to publish final rules on the animal feed portion of FSMA by Aug. 30, 2015.

In the meantime, Sanne suggests busi-

nesses become familiar with FSMA. "Anybody with a feed mill as part of their operation certainly needs to be aware of what's happening," insists Sanne. Those businesses that store whole raw grain are also impacted in the proposed rules, although Sanne says there is speculation that those businesses will be exempted in the revised version.

"Look at the rules," he says. "Get familiar with the terminology and understand what FDA is talking about and proposing." He also recommends that companies designate a person on staff to identify gaps in their current operations and begin thinking about ways they might integrate some of the proposals, should they become law. While associations like NeGFA will continue to update their members, he advises businesses to turn to the FDA's website at www.fda.gov/fsma for additional information. ▶



TODD MARTIN

Todd Martin has just joined the Austin Mutual Agribusiness division's team as a claims specialist. Todd comes with 25 years of insurance experience, the last 13 with Continental Western Group as a senior claims representative and claims supervisor. Todd has a B.S. in Business Administration and Economics from the former Kearney State College, now University of Nebraska at Kearney. Today he and his wife, Robin, and son live in Bennett, NE, where he likes to work on his acreage and spend time with welding and metal fabrication.

ARE YOUR VEHICLES EASY TARGETS?

Rolling stock, including trucks, fertilizer spreaders, and crop sprayers, continue to increase in price, value, and technology. As I conduct my annual walk-through surveys at our policy holders, I periodically check vehicles parked outdoors to determine if the doors are locked and, more importantly, if the keys have been removed.

Unfortunately, I'm finding that the doors on fertilizer spreaders and sprayers are often left unlocked. Even if the keys are removed, open doors expose expensive electronics in the cab to theft. It also provides a temptation for a curious youth, with no malicious intent, to play with the equipment and cause damage. Consider discovering that the application computer isn't working just as you're about to hit the fields. The last thing you need is to take that \$300,000-machine out of service for repairs at the time you need it most.

Other vehicles often given inadequate security include propane bobtail and refined fuel trucks. More than once I have opened



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the door to an unattended bobtail and found the keys still in the ignition. Even if the keys have been removed but the door is unlocked, these vehicles can also have valuable electronics, including computers, printers, and radios.

I've also found keys in the ignition of trucks parked at public places, including convenience stores. And I've witnessed propane bobbails and refined fuel trucks outside convenience stores during the winter with the engines left running—ripe for the picking! Don't forget to check the passenger door. Many vehicles that have the driver's door locked and keys removed still have the passenger door unlocked.

Drivers of vehicles hauling hazardous materials have a higher level of responsibility to ensure their vehicles are always locked and secured from a terrorism standpoint. How would you like to explain to the Department of Homeland Security that your stolen bobtail was left idling outside the store while you ran in for a snack? Regulations require that any time a vehicle transporting hazardous materials is parked out of the driver's line of sight, and not conducting normal delivery operations, it must be locked and choked. Remind your applicators and drivers to lock their company vehicles. Many of them would never consider leaving their personal vehicles with the key in the ignition and doors unlocked. The same should hold true at work. ▀



NEBRASKA - Jordan Schlake of the Nebraska Department of Agriculture gave a presentation on the Food Safety Modernization Act during the April 15 meeting of the Nebraska Ag Cooperative Safety Director Association (ACSDNE). Members also received an update on plans for the 2015 Safety Leadership Conference. During the business meeting, Brad Bousquet of Central Valley Ag Co-op was elected president. The next meeting will be July 10 at the Holiday Inn® in Grand Island, NE.



IOWA - The Ag Cooperative Safety Directors of Iowa (ACSDIA) met March 20 in Nevada, IA. Rex Coble from G & L Clothing spoke on high-visibility, enhanced visibility, FR (fire-rated), and other clothing options for employees. Dan Neenan, National Education Center for Agricultural Safety, discussed requirements for properly entering a confined space, utilizing a confined space-training trailer to demonstrate proper entry procedures. Phil Pitzen, Des Moines Secret Service Homeland Security division, spoke on terrorism, theft, vandalism, and employee violence in the workplace.



MINNESOTA - Members of the Ag Cooperative Safety Directors of Minnesota (ACSDMN) met March 12 at the Kandiyohi Power Cooperative in Spicer, MN. Guest speakers included Wesley J. Hazlett of Rail Safe Training, Inc., who spoke regarding safety training and compliance. Jane Boorboem and Katie Wolf of the Minnesota Department of Agriculture provided information about redrafting the rules dealing with the creation and incorporation of third-party certification and inspection program of anhydrous ammonia facilities. The next meeting date will be July 9.

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AMIC AND MSA: BUILDING A STRONG FOUNDATION



KODY KIRKENDALL
CPCU, Director of Agribusiness Underwriting

It's been a while since you've heard about the affiliation between Austin Mutual Insurance Company (AMIC) and The Main Street America Group (MSA), so I thought I'd update you on the benefits the affiliation has brought to both companies.

For those of you tasked with managing the operations of your business, the last thing you need to worry about at the end of the day is whether or not your insurance carrier will be there when it matters most—claim time. The ability of an insurance carrier to pay claims depends on its balance sheet. The affiliation between AMIC and MSA has allowed us to pool our assets with other carriers within the MSA Group, resulting in capital strength and leverage for future growth. This capital strength is shown in our 2013 results, and comprised of the following milestones:

- Written premium surpassed \$1 billion, growing 2.3%.
- Net income of \$57.1 million.
- Increased surplus of \$981 million, an increase of \$134 million or 16%.
- Total assets grew to more than \$2.3 billion.
- MSA selected to the prestigious Ward's 50, ranking amongst

top 2% of property casualty carriers for sustaining strong financial performance from 2008 through 2012.

- Commercial Lines division, which includes our agribusiness portfolio of products, posted a combined ratio of 93.5%.
- Agribusiness division separately posted a combined ratio of 86%, which followed a strong 2012 performance of 77.5% combined ratio.

As we look towards the future, our management team continually comes back to the same basic principle: "Achieving our vision produces sustainable financial results that strengthen our company, enabling increased prosperity for our customers, our policyholders, and our employees. This success enables us to increase our franchise value, the success of which we define and measure through:

- The quality of our balance sheet and operating results.
- The quality and loyalty of our customers.
- The quality and loyalty of our employees.

As you can see from our results, there is no question, we are here to help your business through the tough times, and along the way provide the best service possible as you grow your agribusiness operation. Our agribusiness policyholders and agents are a key part of our success. I want to thank you for your support of Austin Mutual Agribusiness and The Main Street America Group. Here's to a prosperous 2014 and beyond. ▀