



SAFETY PAYS: A PARADIGM SHIFT



*Paul Diemert,
Cedar Country Co-op
General Manager*

It wasn't a fine or an accident. It was a conversation. When asked to pinpoint what inspired a shift in attitude about safety at his cooperative, Paul Diemert thinks back to a discussion more than a year ago at a safety and compliance committee meeting at Cedar Country Cooperative in Elk Mound, WI.

After listening to the normal complaints about government regulations and the frustrating issues surrounding compliance, this general manager of the Elk Mound, WI-based cooperative said he interrupted the management staff gathered at the table with this statement:

"Let's just stop for a minute and think about this. How would you feel if one of your employees was killed or disabled and you had not done everything possible to prevent it? If we get a \$10,000 fine from OSHA, we'll survive. The real issue is the safety of our people. I don't know about you, but I'm the person who'll have to call that spouse, and that would be horrible. That's how we're going to approach this."

Diemert says he saw thoughtful faces around the table and the complaining stopped. "Since then," says the GM, "we've decided to think about safety rather than compliance."

A DIFFERENCE THAT SHOWS

That shift in perception on the part of management, and a concerted effort to bolster the cooperative's safety program, is making a noticeable difference, says Austin Mutual's Senior Risk Consultant Kent Voigt. On a site visit this summer, Voigt says there was a marked change in employee attitudes. "They were anxious—even enthusiastic—to show me steps they'd

taken to be safer," says Voigt. "Paul and the entire management staff are very hands-on and play a key role in the co-op's safety culture. That makes a big difference."

Obviously, improving a company's safety program requires more than just a change in attitude. Diemert says once the cooperative's safety and compliance committee determined where they were in terms of their safety program, they invited specialists in workers' comp and compliance to provide assistance.

The result, he says, is that Cedar Country, a co-op with energy, retail, agronomy, and feed divisions, has become proactive. "We're working very hard on programs like lockout/tagout, confined space, slips and falls, and height safety," says Diemert.

"We've gotten our policies written and now we're getting up to speed in the training part of the process."

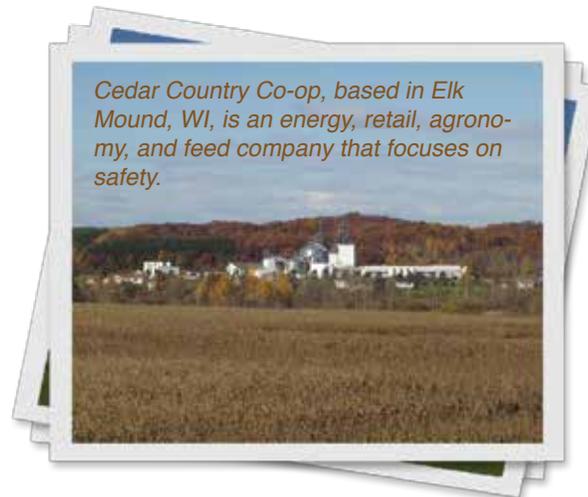
The cooperative's bin entry program is one example. "We've created a written document with very detailed procedures so our employees know exactly what they are to do when it comes to entering a confined space," explains Diemert, adding that Cedar Country Co-op has made investments in breathing protection and atmospheric testing equipment, as well as fall-protection gear.

In addition to regular training sessions, the cooperative recently invited rescue personnel from communities they serve to a tabletop anhydrous plant training session.

IT TAKES A TEAM

He attributes the positive changes to a total team effort. "Everyone has taken hold of this initiative," says Diemert. That buy-in from management, he says, is crucial. While he can't read his

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Cedar Country Co-op, based in Elk Mound, WI, is an energy, retail, agronomy, and feed company that focuses on safety.

THE PROBLEM WITH FLOAT GAUGES

This fall I have had the opportunity to ride along with several propane drivers on their delivery calls. While I have been impressed by their knowledge and professionalism, I did notice an occasional driver relying on the tank's float gauge when filling tanks. Relying on the float gauge instead of the fixed-maximum liquid-level gauge (sometimes called the spitter valve due to the release of a propane mist when the tank is full) can result in overfilling a tank.

Float gauges are inaccurate and sometimes do not show the correct amount of propane in the tank. Many float gauges even state on the face of the gauge that they are not to be used in filling the tank, and that they are for consumer use only. The float gauge is made up of moving parts that are subject to wear and tear. Over time, that wear and tear may cause the gauge to work incorrectly. Often, these gauges "hang up" at a certain percentage. For example, as a tank is being filled the dial on the gauge moves, showing the tank is being filled, and then the dial will suddenly stop moving (gets hung up)—even though more propane is being added.

An accident a couple of years ago resulted from this malfunction. A propane driver was filling a customer's tank and was using the float gauge instead of the fixed-maximum liquid-level gauge. As a result he overfilled the tank. As the temperature outside warmed, the propane expanded, causing the pressure relief valve to go off. Unfortunately, the homeowner was near the tank when the relief valve went off. Not only did it scare the customer, but he did not realize what was happening and thought his tank had sprung a leak. When he tried to plug the relief valve, he got liquid propane on his hands, causing burns. The driver should not have used the float gauge to fill the tank, and he should not have left it overfilled.

Both NFPA 58 and CETP training state that drivers should fill tanks by using the fixed-maximum liquid-level gauge and not

the float gauge. When I asked the drivers I was riding with why they did not use the fixed-maximum liquid-level gauge, they told me they just didn't like taking the time to open the vent valve on the liquid-level gauge when they had the float gauge right in front of them. What they didn't realize was that the float gauge was an inaccurate gauge to use in filling a tank.

Remind your drivers that in order to avoid possible accidents that can occur from overfilling a tank, they should always rely on the fixed-maximum liquid-level gauge—not the float gauge. Make certain that they understand that the float gauge is not accurate—and using the right gauge is worth any extra time it might take. ▶



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employees' minds, he believes they respond more positively when they know the people at the top care. "I tell our employees that safety is the number one thing, and that if they're asked to do something they're not comfortable with, they need to talk to me or their manager. I think it sets a tone."

The cooperative hired a director of human resources who is in charge of documentation for all of the training and compliance issues—making the paperwork much more organized, accessible, and simpler to track. "We also receive excellent help and support from Kent at Austin Mutual and West Central Compliance, an LLC created and shared with other cooperatives in our area," explains Diemert.

This general manager understands that building a culture of safety is a never-ending process, but he says he's much more comfortable today with where Cedar Country is in its safety journey. He's also convinced that management has to be part of the equation. "General managers have a lot on their minds, and it's easy to put compliance off on somebody else, but if you remember that you're the one who will have to make that call to a family member if there's an accident, you realize that you need to be aware and you need to be involved." ▶



THE EXTENSION CORD CULPRIT

It's a safety issue I discover on practically every walk-through survey that I conduct: extension cords that are being used improperly, or shouldn't be used at all. I find extension cords servicing permanent appliances/equipment, badly corroded plug ends, missing ground prongs, light-duty household cords in inappropriate situations, cords running through doorways, windows, and holes in the walls, and, of course, the ever-present patched extension cord.

Be honest. When a piece of equipment's own electrical cord won't reach the plug-in, how many of us just grab an extension cord, not giving a second thought about whether or not it's suitable for the job at hand?

Let's look at some common examples of inappropriate use. I've discovered a business using a 100-foot extension cord where a 25-foot cord would suffice, and then bundling the extra 75 feet into a pile. One obvious hazard is the increased potential for tripping over the extra cordage. Less obvious is the increased resistance, which lowers the wattage limits inherently with increased lengths of cords. For example, using a 16-gauge cord that is less than 50 feet can deliver 1,625 watts for powering your tools, but if the length exceeds 50 feet, you will only have 1,250 watts of available power. Also, using an extension cord that is in tight knots dramatically increases resistance and reduces available wattage.

SELECTING THE RIGHT CORD

In addition to selecting the appropriate cord length, check its designation letters and whether it's suitable for indoor or outdoor usage. If that information is not stamped into the cord itself, or the tag is missing, it's time to replace the cord. Cords designed for outdoor use obviously have more durable jackets than cords intended for indoor use only.

Following are some of the designation letters and their meaning:

- **S**—a flexible cord designed for general use.
- **W**—the cord is rated for outdoor use.
- **J**—a cord with standard 300-voltage insulation. If there is no J in the designation, the cord has thicker 600-volt

insulation designed for heavier use.

- **P**—parallel wire construction used in air conditioner cords and household extension cords.
- **T**—the cord jacket is made from vinyl thermoplastic.
- **E**—the cord jacket is made from thermoplastic elastomer rubber (TPE).
- **O**—the cord is oil resistant. (Important for shops where oil is present.)

Ensure that the extension cord is heavy enough to handle the intended load by checking the amperage or wattage of the item to be powered. Every cord lists its maximum amperage. However, if the item to be powered displays wattage only, divide the wattage by 110 to get a close amperage number. For example, if a leaf blower displays 1,000 watts, $1,000 / 110 = 9.1$ amps.

Finally, it's important to understand that extension cords are for temporary service only. After every use unplug and safely store them. If you have a permanent appliance or machine currently being serviced with an extension cord, either move it closer to an outlet and plug it in directly or have an electrician run permanent wiring to the appliance. Do not run cords under rugs, through doorways, windows, or holes in the walls. Do not nail or staple extension cords to walls or baseboards. Cut up and throw away damaged cords. Do not leave them hanging on the wall or in a dark corner for



OSHA to find and fine you. Check for corroded prongs and outlets, an issue that is especially prevalent in fertilizer plants and other corrosive environments.

Extension cords are an easy item to overlook, or use carelessly, but it's important to give them proper attention. Don't let an ignored cord be the culprit of an injury, fatality, fire, or fine at your business. ▀



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PREVENTION: WINTER IS THE TIME



Procrastination can land any business in trouble, but when it comes to avoiding misapplication claims next spring, putting off what needs to be done today can cause real issues. In fact, all it may take to inspire your agronomy team to start planning for 2014 now is to have them recall what happens in your department when the spring rush begins. Those long days and crazy schedules trying to accommodate farmers' orders is no time to start your preparations. Instead, the time to put those preparations in order is now.

Here's a winter checklist to help avoid misapplications next spring:

CHECK YOUR MACHINES

Winter machine inspection goes beyond the obvious and necessary oil and tire changes. Fertilizer misapplications are some of our largest and most impactful losses, so take time to check your equipment's calibrations and application patterns. Run pan tests over and over with different rates and fertilizers to make sure you are applying uniformly. While you might think the lowest risk of misapplication is with dry fertilizer, a quick review of our yearly claims would show this simply isn't true.

ROUND UP THE MAPS

Whether it's a long-time customer or someone new, it's important to stress that they come to your office over the winter months to go over their application intentions.

Most of you have access to mapping programs, and so utilize that resource. While your customer is sitting in your office, build maps of all of their fields. Have them tell you as much as they can about each field, including its surroundings. What crop do they plan to plant there? What chemicals do they want you to use? Are there other factors that you need to be aware

of about the field, including issues such as areas with low organic matter or high or low pH? In addition, do you need to be aware of any neighboring areas such as acreage owners, vineyards, organic farms, or other sensitive crops and trees?

Using your mapping program to review all of this information will ensure that you are making a map that is up to date with current field boundaries. It will also ensure uniformity in the maps given to your applicators, reducing confusion.

INVESTIGATE SENSITIVE AREAS

A useful website is <http://driftwatch.org>. DriftWatch™ is a tool for identifying specialty crops and is currently available in 10 states, including Nebraska, Minnesota, Wisconsin, and Missouri, and it has links to other registries for South Dakota, Kansas, Iowa, and Oklahoma.

Most of you have large wall maps of your trade territory. Whether you pull information from driftwatch.org, your own personal knowledge of your territory, or other sources, mark these sensitive crops on your large wall map so that sales people, applicators, dispatchers, and tender truck drivers can easily see them on the map, raising awareness. Whenever possible, also transfer this information onto the plat map that goes out to the applicator.

With the high value of today's crops, even if taking these steps this winter before spring rush can prevent just one claim, they were worth the effort. ▶



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DOES YOUR PROPERTY QUALIFY FOR REPLACEMENT COST COVERAGE?

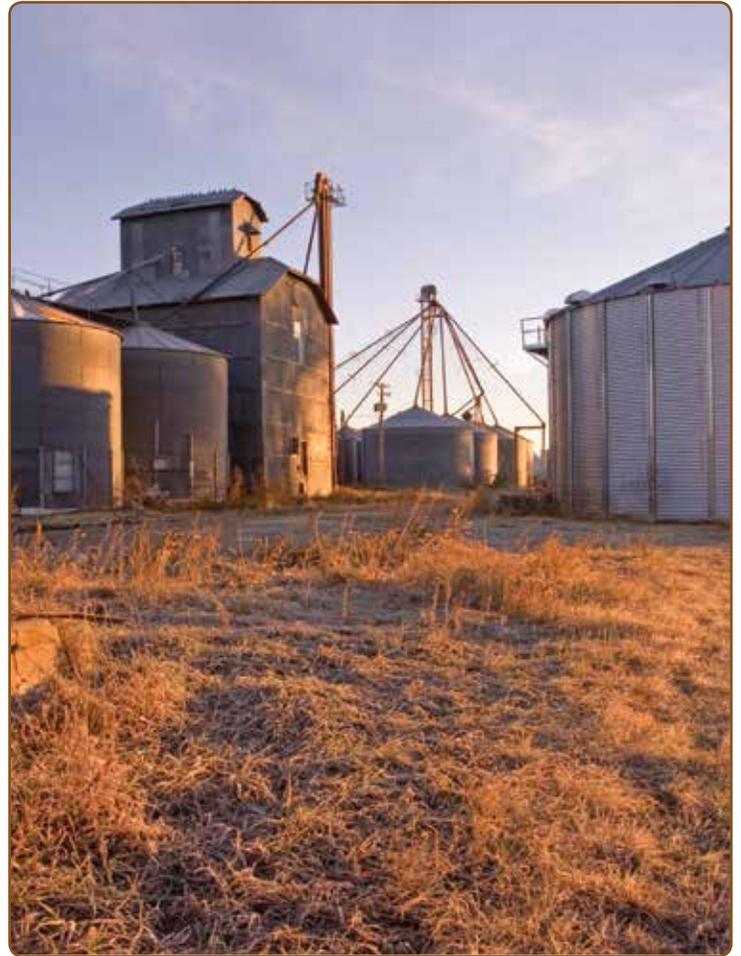
We have all seen storms pass through the Midwest this year, some that may have affected property in your territory. As a result of these storms, the concern surrounding proper valuation of your property has been at the forefront of our client interactions. The question centers around one large issue: can you use Replacement Cost (RC) valuations on property that is old, outdated, or out of service?

The basic premise behind RC coverage is that the insurance carrier will pay the policyholder the amount of money it will take to replace the damaged property at the time and location of loss without any deduction for physical depreciation. Insurance carriers agree to place structures on a RC valuation under the assumption that the structures are well maintained and important to the insured's operations. In order for an insured to receive a loss payment based on the RC value, they must actually repair or replace the damaged property as soon as possible with materials of like kind and quality. If you elect not to replace or repair the property, your claim will be adjusted according to the Actual Cash Value (ACV) of the structure at the time of loss, which is computed using the RC value minus physical depreciation.

Where does that leave your business in terms of older facilities that may not be replaced with a structure of like kind and quality? Consider an old frame iron-clad (FIC) elevator, since many of our insureds still have these types of facilities in operation. How would your company proceed if one of its FIC elevators burned down? Would you consider building another FIC elevator, and can you even find someone in the area who still has the ability and materials to build these outdated structures? Our experience shows that most businesses wish to replace these frame facilities with a new steel or concrete structure. And so, if RC coverage requires that you replace the damaged structure with a structure of like kind and quality, how can you guarantee your ability to erect a steel or concrete structure?

Austin Mutual is willing to place these types of structures on a valuation known as Functional Replacement Cost (FRC). With the help of your insurance agent, you will need to determine the amount of money necessary to erect a facility that would be functionally equivalent to the one currently in use, and that will be the amount you use for an FRC valuation.

For example, if you have a 200,000-bushel frame elevator and wish to put up a steel bin following a loss, you will need to calculate the amount of money necessary to construct a 200,000-bushel steel bin. Placing that value on your frame elevator, using an FRC valuation, ensures that you will have enough money to construct the new steel bin. If you wish to build a larger bin with more capacity, we will still pay your



claim based on the 200,000-bushel steel bin costs, with any additional construction costs covered by you.

Keep in mind that all losses will be paid out on an ACV basis until you actually replace the damaged facility. Once replaced, the remaining RC or FRC payment will be made. If your facility is seasonal, or no longer vital to your operation, you may already know that you wouldn't put anything back in place in the event of total loss. In this instance, you will want to consider placing the facility on an ACV valuation so you are not paying for the RC or FRC coverage on which you will never be able to collect. Take inventory of your facilities periodically and let your insurance agent know if the valuation of facilities should change. You don't want to pay for coverage you will never be able to use. Conducting this review annually in partnership with your insurance agent ensures that you are keeping your insurance costs down and helping to strengthen your bottom line. ▶



KODY KIRKENDALL
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REPORT INVENTORY ONLINE.

Go to AustinMutual.com/agribusiness and look for “Inventory Report Form.”



SOUTH DAKOTA - Contractor Project Safety Responsibility was the topic of the Oct. 16 meeting of the South Dakota Ag Cooperative Safety Director Association (SDACSDA). Terry Keenan, safety director of Greenfield, MN-based McCormick Construction Co., focused on the client/contractor relationship, discussing construction standards and stressing the importance of knowing everyone’s role during a construction project. The next meeting will be 10 a.m., Jan. 22, at the Mitchell Technical Institute. Safety focus will be risks and training concerning arc flash.



IOWA – The Ag Cooperative Safety Directors of Iowa (ACSDIA) members met Sept. 10. Scott Chumbley, with Iowa State University, presented results from neutron diffraction studies of NH₃ tanks. Jerry Eslick, with Professional Rescue Innovations, discussed grain entrapment/safety, while William Nelson, vice president of Corporate Citizenship and president of the CHS Foundation, provided updates on the 2013 North American Agricultural Safety Summit. The next meeting will be in January 2014 with the date to be determined.



NEBRASKA - A presentation on workers’ compensation issues during the Aug. 12 meeting of the Nebraska Ag Cooperative Safety Director Association (ACSDNE) was given by Nationwide Insurance. Members also received an update on the upcoming 2014 Safety Leadership Conference. The conference will be Jan. 14-16 in Council Bluffs, IA, and will take the place of the next quarterly meeting.