

# **Annual Report**





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# **Annual Report**

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# Chairman's Message



Incoming Chairman Harold Cooper, Premier Ag; Outgoing Chairman Dave Dufault, J.R. Simplot; and ARA President and CEO Daren Coppock on stage at the ARA Conference & Expo Dec. 3 in Palm Desert, Calif.

#### Dear ARA Members and Stakeholders,

As I look back on my term as Chairman of the Board of Directors for the Agricultural Retailers Association, I am in awe of the passion and focus of the board, committees and staff to advocate on behalf of the ag retail sector.

This includes ARA's leadership on critical industry issues, such as safe handling of fertilizer, transportation and environmental regulation, which help put ARA in a position of strength. Prioritizing and concentrating on key issues – those central to the success and well-being of ag retailers – better equips ARA and the industry to address our legislative, regulatory and public challenges now and in the future.

ARA stood tall against the Occupational Safety and Health Administration's unlawful actions to redefine the retail exemption to Process Safety Management and came away with meaningful, if not yet complete, results. The association also advocated for vital legislation, such as surface transportation board reform, which was a victory for ag retailers as it included a provisions that benefit those who rely on rail shipments to supply their business.

I am proud to continue my involvement with ARA because the organization remains committed to its mission: advocating, influencing, educating and providing services to support ag retailers in our quest to maintain a profitable business environment, adapt to a changing world and preserve our freedom to operate.

Commitment to this mission requires engagement from industry leaders like you. I hope you will continue to be involved as a board or committee member, event or program participant or supporter.

If you are not a member or not currently participating in ARA activities, there are many ways to get involved, including attendance at the ARA Conference & Expo, Nov. 29-Dec. 1, at the Hilton Bonnet Creek in Orlando, Fla.

Contact ARA President and CEO Daren Coppock at (202) 457-0825 or dcoppock@aradc.org to find out more.

See you in Orlando!

Sincerely,

AGRICULTURAL RETAILERS ASSOCIATION

Serving as the ag retail and distribution industry's voice, the Agricultural Retailers Association advocates before Congress and the Executive Branch to ensure a profitable business environment for members.

**Dave Dufault** 

J.R. Simplot Company

Boise, Idaho

# Strategic Priorities 2014-2019

The Agricultural Retailers Association continues to concentrate on advocating for ag retailers, communicating our message, building the industry's image, improving member services and developing effective alliances.

#### **PUBLIC POLICY**

- Maintain advocacy as ARA's highest priority.
- Enhance resources in technical/regulatory areas by engaging outside resources.
- Involve members and their staff more deeply in advocacy.
- Seek opportunities to showcase ag retail to legislative/ regulatory audiences.
- Identify opportunities to replicate sound state legislation; harmonize conflicting state and federal requirements.
- Increase eligible ARAPAC donations and campaign contribution activity.

#### **MEMBER COMMUNICATIONS**

- Develop an Integrated Marketing Communications
   Plan to tie our communications and brand together.
- Push ARA communications and engagement more deeply into member companies.
- Deliver custom content to members based on profile preferences.
- Strive for personal communications with members separate from renewals.
- Develop an orientation program for new primary members.
- Redesign and upgrade ARA website.
- Seek opportunities to conduct regional meetings in conjunction with state affiliates and/or other national organizations on topics of local interest.
- Develop and provide a listing of staff member responsibilities for members.

#### **INDUSTRY IMAGE**

- Stand up to challengers confront anti-agriculture advocates who inaccurately portray our industry.
- Provide a Community Relations Toolkit for retailers to polish their image in their local communities.
- Promote and recognize members who excel in cultivating industry image in their communities.
- Equip members to advocate on key policy issues in their local communities and within their companies.
- Continue to promote excellence in the industry with awards such as Retailer of the Year.

#### **MEMBERSHIP AND SERVICES**

- Consistently communicate the value of ARA membership.
- Continue to pursue new members.
- Streamline the renewal process.
- Maintain quality of existing affinity programs, leadership training and professional development; seek opportunities to expand and create new programs.
- Quantify and promote "DC Help Desk" to members.

#### **ALLIANCES**

- Recruit unaffiliated state/regional organizations.
- Maintain effective working relationships with state affiliates and national allies.
- Partner through coalitions to leverage efforts.
- Develop international partnerships.

For a more detailed description of these strategic objectives and the tasks associated with them, please go to: www.aradc.org/strategicplan

# **Public Policy**

ARA's advocacy efforts in 2015 focused on the key public policy priorities including Process Safety Management, Clean Water Act jurisdiction, pro-growth economic strategies and transportation infrastructure.

Through 2015, ARA tracked 16 different bills in which the association had a stake. ARA followed or completed work on 28 different regulatory actions. Several bipartisan bills favorable to agriculture moved through the House and Senate.

#### **LABOR**

OSHA Eliminates Retail Exemption to Process Safety Management

In the biggest surprise of 2015 – without notice or opportunity for public comment – the Occupational Safety and Health Administration changed its interpretation of the retail exemption under the Process Safety Management standard.

The July 22, 2015, enforcement memo from OSHA required approximately 3,800 agricultural retail facilities to comply with the PSM regulations within six months. Through agency extensions and a congressional action, the deadline was later extended to Oct. 1, 2016. ARA expects additional legislative action that could extend the deadline further.

#### Background

The reinterpretation came as a response to the West Fertilizer explosion in 2013, and subsequent Executive Order 13650: Improving Chemical Facility Safety and Security. Compliance with PSM represents a major regulatory change with significant costs for agricultural retailers.

Until July 22, 2015, OSHA had defined a retail facility as one that derived more than 50 percent of its income from direct sales of highly hazardous chemicals to the end user, otherwise known as "the 50 Percent Test," and provided an exemption.

The "50 Percent Test" had been OSHA's interpretation since the inception of the PSM standard in 1992 and had been reaffirmed on several occasions since then.

OSHA issued a request for information on PSM in December 2013. In comments to OSHA in March 2014, ARA responded strongly.



"ARA supports maintaining the retail exemption under OSHA's Process Safety Management (PSM) Standard... ARA anticipates that the removal of the PSM retail exemption will require rulemaking if OSHA changes its enforcement policy."

"Given the totality of the circumstances, the twenty year duration of the exemption, the clarifications during rulemaking and specific direction to the public and inspectors regarding farmer supply dealers," said ARA President and CEO Daren Coppock. "OSHA should consider alternative measures towards safety."

ARA further detailed several programs, including ResponsibleAg and the Fertilizer Safety and Health Partnership Alliance, as well as specific regulatory changes that could accomplish the objectives of the EO, without modifying the interpretation of the retail exemption.

Unfortunately, ARA's comments were ignored.

Meeting with OSHA

Coppock met with OSHA personnel July 31, 2015, regarding its reinterpretation of the retail exemption.



In talks with Jordan Barab, Deputy Assistant Secretary of Labor for Occupational Safety and Health, ARA pointed out that anhydrous ammonia played no role in the West Fertilizer explosion. Therefore, regulating ammonia as a response to West makes little sense.

Coppock laid out ARA's primary concerns with the change in interpretation, including extraordinary costs, lack of bandwidth to meet compliance needs, negligible safety benefit and an impossibly short timeline. Yet, OSHA said the interpretation of the retail exemption was incorrect and contrary to the preamble of the PSM regulations.

#### Litigation

With an unsatisfactory response from OSHA regarding ARA's concerns, ARA and The Fertilizer Institute jointly filed a suit against OSHA in the District of Columbia Circuit Court of Appeals in September 2015.

ARA and TFI's petition for judicial review asked the court to examine whether OSHA's memo was considered a "standard" under the Occupational Safety and Health Act. The associations also said the memo was invalid because it was promulgated without adhering to the notice, comment and publication procedures required by the OSH Act and the Administrative Procedure Act.

ARA's objections to the rule include:

- 1. OSHA did not go through a rulemaking procedure and invite public comment before taking the action, despite an estimated compliance cost of at least \$100 million. OSHA's estimate is understated by at least a factor of 10, and the agency has refused multiple requests to provide data supporting its cost estimate.
- 2. OSHA cited the West Fertilizer incident as the reason for regulating anhydrous ammonia. However, ammonium nitrate was the chemical of interest at West. Anhydrous ammonia played no role in the incident at West. If OSHA's intent is to prevent another West, the agency is aiming at the wrong target.
- The outcome of the decision may be counterproductive to safety. Ammonia sites are likely to consolidate and many will close. Used ammonia tanks will be sold to farmers who are exempt from the PSM regulation and

the product will be stored at unregulated sites. Trucks hauling ammonia will travel longer distances to reach farm customers. None of these outcomes support safer storage and handling of ammonia.

Litigation is still pending as of July 1, 2016. Arguments for the case are under review by the Court and a decision is expected shortly.

#### Advocacy Efforts

Fortunately, as 2015 came to a close, advocacy efforts on Capitol Hill provided some relief.

Report language in the Omnibus appropriations bill, Consolidated Appropriations Act of 2016 (H.R. 2029), prohibited OSHA from enforcing its July 22 memo for fiscal year 2016.

"This bill puts a stop sign in front of a runaway agency," Coppock said. "Congress blocked OSHA's imprudent attempt to require ag retailers to comply with a regulation that doesn't fit our industry. We are willing to work with the Administration to develop targeted, common-sense regulations to improve safety and security at agricultural retail facilities and surrounding communities."

ARA's public policy team spearheaded a grass roots effort – involving several national and state agribusiness associations and ARA members – to insert a rider in the bill to reverse OSHA's rule change.

"Any additional regulation placed on agricultural retailers should, first and foremost, improve employee and community safety and security. It should also be scientifically sound, cost-effective and developed transparently with industry input," Coppock added. "OSHA's end-run around formal rulemaking failed all those criteria, which is why Congress saw fit to step in. We believe the courts will uphold our case, as well."

#### Educating Members on PSM

While aggressively opposing the elimination of the retail exemption to PSM, ARA also recommended members prepare for compliance.

In August, ARA released a summary of PSM requirements to members. Retailers can review the complete regulations: 29 CFR § 1910.119. ARA members may



contact Kyle Liske, Director of Public Policy and Counsel (kyle@aradc.org), with any questions, or to obtain a copy of the PSM Requirements summary.

ARA also hosted a webinar on PSM led by OSHA Safety Engineer Jeff Wanko. The webinar addressed many of the key PSM compliance issues for fertilizer retailers and participants asked a wealth of questions.

The complete webinar audio, slides and follow-up Q&A document are available on the ARA website.

ARA Submits Comments on Proposed Overtime Rule

ARA jointly submitted comments with TFI to the Department of Labor's Hour and Wage Division on a rule proposed in July 2015 that would increase the overtime exemption.

The ARA/TFI comments stressed the impact the increase in the overtime exemption will have on small businesses that are ARA and TFI members. The comments also oppose any sort of automatic threshold increase based on a fixed percentile of wage or Consumer Price Index. Finally, the comments recommend that performance based bonuses should count towards the salary threshold that is established for the EAP exemption.

The rule recently went into effect, increasing the threshold salary from \$26,660 per year to \$47,892 per year. A provision was also included to implement an automatic increase every year for the aforementioned salaries to adjust for inflation.

#### ARA Opposes Mandatory E-Verify

The ARA, working with the Agricultural Workforce Coalition, opposed mandatory E-Verify legislation.

The Legal Workforce Act, currently under consideration in the House, does not adequately address the current agricultural workforce, nor does it create a new guest worker program to meet future needs, according to the coalition.

In a letter to House leaders, the AWC asked for solutions before any mandatory E-Verify system is put in place. To learn more, visit the AWC website at www.agworkforcecoalition.org.

#### STARS Act

ARA reaffirmed its support of the Simplifying Technical Aspects Regarding Seasonality Act of 2015 by signing onto a letter of support with a coalition of agricultural and construction organizations.

This bipartisan legislation provides desperately needed technical corrections and clarity at a time when employers with highly seasonal workforces are experiencing significant difficulties determining their employer size and employer shared responsibility requirements under the Patient Protection and Affordable Care Act (ACA).

Although the regulatory definition of seasonal employee is clear at six months, the statute itself still contains a second seasonal worker definition, which leaves more room for interpretation and continues to confuse small employers as they work to comply with the law.

The STARS Act adopts the Treasury Department's preferred definition of seasonal employment while simplifying and aligning the seasonal provisions of the ACA to better enable employer compliance. This targeted approach provides critical relief without fundamentally upsetting the intent of the ACA's employer provisions.

The bill does not eliminate the large employer (defined as 50 or more full-time employees) requirement to offer affordable coverage to qualifying full-time employees, nor does it alter the administration's preferred treatment of seasonal employees. It simply provides seasonal employers with the clarity needed to assess their obligations under the ACA.

The bill was referred to the House Subcommittee on Health and its companion bill is currently under review in Senate Finance committee.





#### **TRANSPORTATION**

Positive Train Control

Failure to get a bill passed to extend the Positive Train Control deadline, which was scheduled for December 31, 2015, would have meant the suspension of train shipments for ammonia.

Fortunately, this was a rare issue where the agribusiness interests aligned with the railroads. A measure to extend the PTC deadline to 2018 was passed before any major delays occurred.

Positive Train Control (PTC) is a GPS-based train control system designed to prevent collisions and over-speed derailments. Congress mandated freight railroad lines carrying certain "toxic by inhalation" (TIH) materials, including anhydrous ammonia, implement PTC by December 31, 2015.

However, most freight and commuter railroads reported they were not able to meet the deadline, and required more time to complete implementation.

Long-Term Highway Bill

In December, Congress overwhelmingly approved the Fixing America's Surface Transportation (FAST) Act, five-year legislation to improve roads, bridges, public transit, and rail transportation systems, and reform federal surface transportation programs.

The \$305 billion legislation will provide the financial resources for federal highway, transit, highway safety, motor carrier safety, hazardous materials and passenger rail programs. Based on an initial review of the legislation, a number of positive provisions for the agricultural industry were included in the final agreement:

 Achieves due process protection and ends automatic denials for carriers participating in the Hazardous Materials Safety Permit program.

- Hazardous materials exemption allowing farmers, custom harvesters and other agribusiness drivers with a Class A CDL to haul up to 1,000 gallons of diesel fuel, provided the service vehicle is clearly marked with a label reading "Diesel Fuel."
- Authorizes the Department of Transportation to create a pilot program for commercial drivers ages 18 to 20 if they serve in the military or have served in the military.
- Requires DOT to consider the potential impacts of raising the minimum financial responsibility on the motor carrier industry prior to issuing a rule.
- Repeals \$3 billion in cuts to crop insurance that were part of the Bipartisan Budget Act of 2015.

ARA was part of a broad coalition of industry organizations in support of this bipartisan, bicameral legislation. We look forward to working with the DOT on the implementation of many of these provisions.

FMCSA Hazardous Materials Safety Program

The DOT's Federal Motor Carrier Safety Administration new standards for retaining Hazardous Materials Safety Program permits went into effect in 2015.

HMSP permit holders will now be evaluated monthly based on the previous two-months BASIC safety management system scores. FMCSA will review the permit holder's SMS scores monthly to determine if the carrier has exceeded intervention thresholds for either the Hazardous Materials Compliance Behavior Analysis and Safety Improvement Category, or any two BASICs besides the HM BASIC, for the preceding two consecutive months. Scores are based on carrier performance for the preceding 24 months according to Compliance Safety Accountability procedures.

If the carrier has exceeded the HM BASIC or any two BASICs for each month over a consecutive two-month period, FMCSA will identify the carrier for investigation.

# Public Policy Continued

#### Surface Transportation Board Reform

Since the Stagger's Act deregulated the railroads in 1980, rail transit has consolidated to four major carriers. The result has been abandoned rail service to smaller communities, unclear fee structures, increased shipping costs, and unavailability of rate relief for many agribusinesses and farmers that heavily depend on the rail system.

Fertilizer shipment disruptions in spring 2014 and other challenges facing agricultural producers, shippers, and manufacturers over the past several years show clear need for an independent regulatory agency with the proper resources and regulatory structure to adequately address important rail transportation related issues.

To help address these ongoing rate and service issues, ARA joined the Rail Customer Coalition, which supported advancing the reforms in the Surface Transportation Board Reauthorization Act of 2015.

The legislation, signed into law in December, streamlines rate case procedures, creates meaningful alternative dispute resolution, expands the STB board from three to five members in order to address inefficient quorum requirements, and provides more transparency concerning the status of its proceedings and the nature and disposition of complaints brought before the agency.

#### **ENVIRONMENT**

Worker Protection Standards

In 2015, the Environmental Protection Agency announced revised worker protection standards for two million agricultural workers and their families.

ARA was critical of the WPS revision because it largely ignores industry progress on safety and substantially underestimates costs.

"Agricultural retailers pay a lot of attention to worker safety because they care about their employees, and accidents are costly for both employees and employers," said ARA President and CEO Daren Coppock. "The final rule overlooks improvements made in worker safety by the industry over the preceding 22 years, most significantly through development and adoption of precision agriculture and drift reduction technologies. It also discounts the significant efforts of state pesticide regulators."



TFI President Chris Jahn, Assistant Secretary of Labor for Occupational Health and Safety Dr. David Michaels, ARA President and CEO Daren Coppock and EPA Assistant Administrator Mathy Stanislaus sign the Fertilizer Safety and Health Partnership Alliance February 2, 2015 in Washington, D.C.

# ARA Meeting Brings Industry, Regulators Together

More than 40 ARA leaders along with participating national and state trade associations attended the Winter Board of Directors and Public Policy Committee meetings February 2-4, 2015, in Washington, D.C.

During the meetings Dr. David Michaels, Assistant Secretary of Labor for Occupational Health and Safety; Mathy Stanislaus, Environmental Protection Agency Assistant Administrator; and Amy Graydon, Department of Homeland Security Chief for Policy and Rulemaking Branch of the Infrastructure Security Compliance Division updated attendees on Executive Order 13650: Improving Chemical Safety and Security.

All three agencies expressed a desire to improve compliance and increase industry outreach.

Other committee discussions focused on transportation and environmental issues.

Department of Transportation's Pipeline and Hazardous Materials Safety Administration Acting Administrator Tim Butters addressed the agency's focus on revising hazardous material shipping regulations. The agency is updating standards for oil and ethanol rail cars. PHMSA is also reviewing ways to harmonize PHMSA regulations with international standards. The agency held a series of multi-modal workshops for the agency and industry in 2015.

The committee session closed with Ron Carleton, Agricultural Counsel to EPA Administrator Gina McCarthy. His role within the agency is to be the voice of the agricultural industry and advise the Administrator.

Sen. Pat Roberts (R-Kan.) concluded the meeting. Roberts stated that the Agriculture Committee would use all the resources at its disposal to pass legislation that is effective for farmers and ranchers, adding that executive branch rulemaking and regulation is over-reaching. He said protecting agriculture against the EPA's proposed "Waters of the United States" rule and passing a budget that maintains a strong crop insurance program were two of his priorities.

EPA's new rule imposes significant new costs and liabilities on agricultural employers with no measurable improvement in the safety trends, and no cost-benefit analysis to justify them. It is the latest in a string of announcements from the current administration where political science has triumphed over objective science and economics.

ARA has identified several areas of concern with the new rule:

- Opens new doors of potential liability without demonstrating a connection to worker safety – the introduction of an "authorized representative" concept, unclear requirements on who must possess "labeling" and when, and what constitutes required "labeling."
- EPA substantially underestimated the cost of the regulation. The rule increases the frequency of required training by five times and increases the amount of material that must be covered, yet EPA estimates a negligible cost to employers. EPA's new requirement would not align with industry standards for training already in place in several states.

"Industry comments submitted to EPA pointed out the error, but it does not appear to have been corrected in the final rule," Coppock said. "The real costs were provided, yet the agency stands by its artificial estimates, which suggests a deliberate disregard of the real-world cost implications of the rule."

The case supporting the rule is entirely based on assumptions rather than data. Comments from real-world applicators and state regulators appear to have been almost completely disregarded in favor of the policy positions of advocacy groups aligned politically with the administration.

#### Pesticide Challenges in Court

Thanks to the powerful levers of the Endangered Species Act and pollinator protection, activists have had a field day challenging the registration of new and existing pesticides.

ARA has been working with CropLife America and individual registrants on these issues. Activists have challenged the registrations of new active ingredients on the grounds that EPA has failed to perform an adequate environmental safety consultation with the Fish and Wildlife Service or the National Marine Fisheries Service.



Chlorpyrifos is one chemical on the firing line for cancellation. Although EPA claims no danger in food exposure, the agency cannot conclude that food and drinking water exposure levels are safe. EPA is proposing to revoke food tolerances for chlorpyrifos, which would then cancel any associated uses on food crops. EPA's drinking water assessment showed potential issues in some parts of the country where the product is most heavily used, but their proposed action is to ban its use everywhere in agriculture.

The registration for sulfoxaflor was canceled, not by an EPA scientific study, but by the 9th Circuit Court of Appeals. This is the first time a panel of judges substituted its own opinion for the scientific determinations of EPA.

But EPA made the problem more difficult, and set a damaging precedent, when it's cancellation order failed to allow all product "released for shipment" to be used according to its label. Only product already in the hands of the end user could be used; everything else had to be held for relabeling, exported, or returned to the manufacturer.

ARA met with EPA about it, but its decision was final. ARA alerted members to the situation, advising them to sell any product still on the shelf, but we were only able to give less than a week's notice before the cancellation order was issued.

#### Clean Water Act Jurisdiction

In August, a federal judge in North Dakota acted to block the EPA's contentious "Waters of the Unites States" rule. In October, a federal appeals panel applied the stay nationwide.

# Public Policy Continued

Since its inception, the WOTUS rule has been denounced by small businesses, governmental officials, and most notably, the agriculture community – including the Agricultural Retailers Association.

The rule effectively changes the face of farming practices by defining streams, waterways, and tributaries as "waters of the U.S.," vastly expanding federal jurisdiction under the Clean Water Act.

Many have cited "regulation by letter" maneuvers, which the Obama administration and EPA have used in the WOTUS rule and other regulations, as an unprecedented expansion of executive stakeholders

aim to correct this tactic through public education and sound science regarding safe drinking water and emerging farming practices.

With earlier efforts to stop the rule through legislative channels thwarted, the court's decision represents a key victory in the battle to stop implementation of the WOTUS rule.

"ARA is pleased to see the court act to protect agricultural interests from the immediate harm posed by this gross expansion of EPA authority," Coppock said. "Maps of WOTUS designations on existing farm fields show that very little is off limits to the expanded jurisdiction on cultivated fields, rangeland or timber land.

# ResponsibleAg Certifies First Facility, Names New Executive Director



Bill Qualls, Executive Director, ResponsibleAg

ResponsibleAg took two important steps in 2015. The organization certified its first facility and hired a new executive director.

Crop Production Services' Hillsboro, Tenn., location became the first facility to earn ResponsibleAg Certification in April.

"This marks an exciting milestone for ResponsibleAg," said Alicia Duke, Health

and Safety Director with J.R. Simplot Company and Chair of the ResponsibleAg Technical Committee. "Safety is a top priority for retailers, and having an organization like CPS move so quickly to adopt and implement ResponsibleAg demonstrates the company's commitment to its employees and the community."

ResponsibleAg registered more than 1,500 and certified 150 facilities in 2015.

The ResponsibleAg Board of Directors also named Bill Qualls, CPEA, as the organization's new Executive Director in October.

"We are thrilled to welcome someone with Bill's experience and skills as executive director," said J. Billy Pirkle, Chairman of the Board of Directors. "His leadership and results driven focus will help build on existing support and generate stakeholder recognition of ResponsibleAg."

Qualls' responsibilities include retailer and auditor recruiting, monitoring an effective quality assurance program, and advising the Board on opportunities to improve the program.



He comes to ResponsibleAg from the Eastman Chemical Company, where he served as Lead Auditor for Global Environmental, Health, and Safety. Qualls has an outstanding track record in managing EHS projects, having developed and delivered Eastman Chemical Company's 40 manufacturing facility EHS audit program.

"My goal is to encourage involvement in this worthwhile effort," he said. "And to better equip fertilizer retailers with the tools to continuously improve their environmental, health and safety efforts so they are widely recognized as a model of compliance and trusted neighbors."

ARA and TFI also received recognition for creating ResponsibleAg. The associations were honored with the 2015 American Society of Association Executives Power of A Silver Award.

ASAE's Power of A Awards, the industry's highest honor, recognize the association community's valuable contributions on the local, national and global level. The Power of A Awards reward outstanding accomplishments of associations and industry professionals for their efforts to enrich lives, create a competitive workforce, prepare society for the future, drive innovation and make a better world.

Coppock was also critical of EPA's efforts to promote and garner support for the rule.

"EPA's misleading statements on the impact of the WOTUS rule throughout the rulemaking process were compounded by their social media campaign to manufacture support for it," he said. "This campaign was an unprecedented action by an agency that industry and the public rely on to be an objective, science-based regulator."

Although the legal victory is just one step towards reversing the rule, ARA will continue to monitor the issue and work with industry partners, state organizations and Congress to find a permanent solution.



Pesticide Permit Fix

Pesticide applicators are currently subjected to a court-created requirement that lawful applications on or near "Waters of the U.S." obtain a Clean Water Act National

Pollutant Discharge Elimination System Pesticide General Permit from the EPA or state. The ruling created redundant regulation with no additional environmental benefit.

A 2009 decision in the U.S. Court of Appeals for the Sixth Circuit erroneously applied the provisions of the NPDES permitting process under the CWA to pesticide applications that were already fully regulated under the Federal Insecticide, Fungicide and Rodenticide Act. As a result, many farmers, ranchers, water resource boards and public health professionals involved in mosquito control are subject to costly and duplicative burdens providing no quantifiable public health or environmental benefit.

In 2015, the ag retail industry came close to a fix for the duplicative permit. The House Agriculture Committee advanced H.R. 897, the Reducing Regulatory Burdens Act. The bill would have clarified Congressional intent regarding pesticide regulation in or near waters of the United States. Unfortunately, the Senate failed to act on the bill.

In the previous two sessions of Congress similar legislation passed out of committee and went on pass the full House of Representatives by large majorities, only to stall in the Senate.

ARA is hopeful the bill, renamed the Zika Vector Control Act, and recently passed again by the House, will be make it through the Senate, where it has bi-partisan support, as part of a larger bill.

Des Moines Water Works

In May 2015, the Des Moines Water Works filed a lawsuit against drainage districts in Buena Vista, Calhoun and Sac counties, claiming drainage tiles there act as conduits that funnel excessive nitrates into the Raccoon River, a source of drinking water for 500,000 customers.

ARA is supporting the defendants against the Des Moines Water Works case, both financially and by making our general counsel available to the advisory committee. The case is expected to go to trial in June 2017.

The litigation could have major, precedent-setting impacts on tile systems. The issue is broader than just this case — to the extent that agriculture is contributing to nutrient loading of water. ARA's commitment to 4R Nutrient Stewardship principles is vital to our future freedom to operate in this area.

#### **GMO LABELING**

Safe and Affordable Food Act



Genetically modified organisms, or GMOs, are a major topic of discussion today. ARA has seen interest groups across the country push state-level GMO labeling mandates that would create confusion among consumers and drive up food prices.

A study by a Cornell University professor found that state-based GMO labeling mandates will result in food prices increasing by as much as \$500 a year for a family of four.

In 2015, House passed the Safe and Accurate Food Labeling Act (H.R. 1599), bipartisan legislation to ensure food labeling in the United States is uniform and science-based.

The proposed legislation would also improve clarity for foods carrying a GMO-free label and provide uniform rules by creating a national certification program for foods that have been produced without bioengineering.



Unfortunately, the Senate could not pass a companion bill. Without federal guidance, many large food companies prepared to comply with the Vermont labeling law.

ARA is a steadfast supporter of the Coalition for Safe Affordable Food, which has lobbied extensively for the Safe and Affordable Food Act. The coalition includes a broad range of farmer, agribusiness and food manufacturing organizations.

As of deadline, Sens. Pat Roberts (R-Kan.) and Debbie Stabenow (D-Mich.) had announced a compromise federal proposal that would supersede state and local labeling laws. Look for more details on the ARA website.

#### **DRONES**

ARA Submits Comments on Proposed FAA Rules

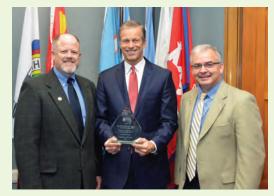
The Agricultural Retailers Association submitted comments to the Federal Aviation Administration in April 2015 on its proposal to amend regulations on unmanned aerial systems.

The FAA has adopted specific rules allowing the operation of small unmanned aircraft systems. These rules address the operation of UAS, certification of operators, registration and display of registration markings.

The use of UAS for the purposes of collecting data will be of the utmost and timely importance in the coming years. The data collected by unmanned systems can assist in providing important information regarding drought, monitoring irrigation, determining fertilizer outputs, assisting in pest and crop protection, and even predicting crop yields.

Ultimately, ARA's comments focused on one idea: the UAS regulatory framework should seek to mitigate any safety risks to aerial applicators, farmers and the at-large public, while also avoiding undue burden on those complying with federal regulations.

Pilot and operating rules for UAS go into effect in August 2016. The rules limit flights to daylight and visual-line-of-sight operations. It also addresses height restrictions, operator certification, optional use of a visual observer, aircraft registration and marking, and operational limits.



South Dakota Wheat Growers Steve Briggs (left) and ARA Chairman Dave Dufault (right) present Sen. John Thune (R-S.D.) with the 2015 ARA Legislator of the Year Award.

# ARA Recognizes Cochran, Thune for Legislative Efforts Supporting Agriculture

As the agricultural industry continues to face federal regulatory challenges, our allies in the U.S. Senate have stepped forward.

The Agricultural Retailers Association recently recognized two legislators who have lead efforts to defend the agriculture's freedom to operate: Sen. Thad Cochran (R-Miss.) and Sen. John Thune (R-S.D.). Both were named ARA's 2015 Legislator of the Year.

ARA presents its Legislator of the Year award annually to a member, or members, of Congress who champion legislation important to the agricultural retail industry. The awards were presented as the ARA Board of Directors visited Congressional offices in February.

## Member Services and Events

Key components of membership, including communications and advice regarding important industry issues, opportunities to influence legislation, a comprehensive online membership directory and numerous other resources are available through the ARA website (www.aradc.org). A variety of educational and networking opportunities continue to be available to members, as well.

ARA membership also includes benefits such as discounts on shipping through YRC Freight and on background screening services from GIS, as well as new training materials such as *Safety on the Road*, a safety video for custom application vehicle drivers.



# MIDWEST AG RETAIL FORUM

Agribusiness leaders and stakeholders from Iowa, Illinois and Missouri met Aug. 5 for the Midwest Ag Retail Forum in Fort Madison, Iowa.

The half-day workshop featured a keynote presentation by Iowa Secretary of Agriculture Bill Northey, an update on the Des Moines Water Works case and discussion of Midwest water issues and nutrient stewardship efforts. Policy staff from the Agricultural Retailers Association also addressed federal legislative and regulatory issues impacting retailers. A tour of OCI Fertilizers production facility concluded the afternoon.

Cooperating state associations include the Agribusiness Association of Iowa (AAI), the Missouri Agribusiness Association (MO-AG), and the Illinois Fertilizer and Chemical Association (IFCA).

ARA encouraged members to send employees who may not normally attend national industry meetings. The meeting was compact, allowing participants to drive in for it then drive back home in the same day.

The next regional meeting, the Southeastern Ag Retail Forum will be held Oct. 19 in Valadosta, Ga. A VIP tour of the Sunbelt Ag Expo in Moultrie, Ga., is scheduled following the program.

#### **ARA MANAGEMENT ACADEMY**

Purdue University hosted more than 50 agribusiness professionals during the seventh annual ARA Management Academy Feb. 2-4, 2015, in West Lafayette, Ind.

The academy, a joint effort between ARA and Purdue University Center for Food and Agricultural Business, was developed to assist leaders develop decision-making and management skills.

The three-day workshop is led by award-winning Purdue faculty members. Using a blend of lectures, breakout sessions and group discussion, the program is structured to encourage networking and idea-sharing with industry peers from across the value chain.

The next ARA Management Academy is scheduled for Jan. 31-Feb. 2, 2017. Contact Lee Stanish (Istanish@purdue.edu) with questions, or go to http://agribusiness.purdue.edu/.

#### **SAFETY ON THE ROAD**

Custom Application Vehicles (CAVs) have come a long way since their advent 1950's. Today CAVs are vital tools to the success of agricultural retailers.

Safety on the Road is a 32-minute training program geared to the safe operation of CAVs on roads and highways to and from the field. This professionally-produced DVD covers the basic safety issues that operators may encounter such as: preventing rollovers, nighttime operation, narrow roads and steep shoulders, navigating highway traffic and safely making left turns.

To order, go to www.aradc.org/safetyvideo.

#### Member Services and Events Continued



Leadership at its Best Class of 2015.

#### ARA HOSTS LEADERSHIP TRAINING

Seven emerging leaders from ag retail outlets across the country converged on Washington, D.C., March 1-4, for the Agricultural Retailers Association's fourth annual Leadership at its Best.

The program, sponsored by Syngenta, provides advocacy and communications training for ag retail management staff. The curriculum is designed to improve communication skills with legislators and regulatory personnel, and to help individuals better understand and interpret government actions.

The Leadership at Its Best Class of 2015 included: Jennifer Gwyn, Southern States Cooperative; Brian Harrington, Carolina Eastern-Vail; Bryan Holland, Meherrin Ag; Jennifer Kilber, South Dakota Wheat Growers; Jason McArdle, Brandt Consolidated; Peter Niboli, J. R. Simplot, and Kathy Westcott, Crop Production Services.

Upon program completion, participants are encouraged to put to practice the skills gained during the program by serving on ARA committees, task forces and workgroups; providing educational and facility outreach opportunities to elected officials and agency representatives, representing the industry at hearings or other proceedings, and participating in industry related online discussion groups and blogs.

To nominate an individual for Leadership at its Best, contact David McKnight, Director of Member Services at david@aradc.org.

#### STRATEGIC DECISION MAKING

ARA has partnered with Purdue University to offer Strategic Decision Making, a course designed for agribusiness executives. This three-day seminar provides participants with the knowledge and tools needed to analyze and execute challenging strategic choices. Participants will learn how to clarify specific decisions needed, list alternatives and manage risk involved.

Matthew L. Waters, an attorney and 2014 attendee, has been representing agribusinesses and farmers for 25 years, but recently shifted his practice from litigation to business advising and consulting.

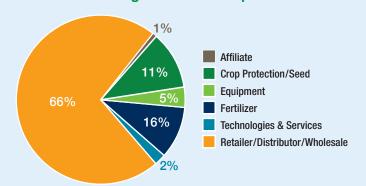
"The program gave me the resources to slow down and fully examine the aspects of the decision at hand before making a call," he said "It also helped me locate and find solutions to possible risks in advance, rather than having to mitigate problems on the fly."

The course was held June 23-25, 2015, at Purdue University in West Lafayette, Ind. The next available course will be in June 2017. For more information, go to: http://agribusiness.purdue.edu/.

## **Membership Development**

In 2014, ARA added 26 new members and collected \$2,319,724 in membership dues for another record year. Although the retailer share of total membership declined from 72 to 66 percent, this was due to the realignment of certain members into other membership categories, not a decline in membership. Despite the adjustment in the retailer share of membership, it is still above the strategic goal of 65 percent of total membership.

#### **FY 2015 Percentage of Membership Dues Collection**





Participants in the ARA Crisis Management and Media Training Seminar learn more about how to be better prepared to address the public following an incident at a retail facility.

#### **CRISIS COMMUNICATIONS**

ARA hosted the Crisis Management and Media Training seminar Aug. 3-5 the Sheraton San Diego Hotel and Marina.

The seminar, sponsored by CHS and FMC, is designed to help retailers and their employees learn how to handle a public relations crisis, such as a major accident, fire or protestors showing up at a facility.

Lani Jordan, Director of Corporate Communications with CHS, and Lindsay Strand, president of Lindsay Strand Associates, Inc., again led the sessions. The communications veterans shared principles for successfully managing a crisis, directed a mock crisis scenario and critiqued participants' response.

Participants were also videotaped so they could see how they appear on camera. Many attendees shared how grateful they were to practice interviews ahead of a true crisis. Although a company may have a crisis management plan, many said they would not have felt prepared.

Strand and Jordan explained that no one is fully prepared to speak to the media or a public audience that may know very little about the ag retail business. It takes a lot of practice and a level head to stay focused on your company's message in a crisis.

Additional seminars are scheduled for July 26-28, 2016, in Louisville, Ky. For more information, contact David McKnight, Director of Member Services (david@aradc.org).

#### DC HELP DESK

Based on feedback from the 2014 Strategic Plan, ARA launched a DC Help Desk. This system assists members seeking advice on regulatory issues or challenges. Members may call the office and staff will direct you to the appropriate internal contact to solve your problem or answer your question, usually within 48 hours for frequently asked questions. ARA is still refining the system for tracking these inquiries, but it's a service available to our members at no additional cost.

#### **GIS SURETY SERVICES**

To assist members with background screening compliance, the ARA partnered with General Information Services, Inc. (GIS) to provide discounted, best-in-class criminal background, drug and medical screening services to ARA members.

GIS is one of the largest organizations in the background screening industry with a national criminal database containing more than 500 million records. This national criminal database pulls information from more than 1,000 sources including a variety of national security sources.

Services offered through the partnership include: Drug and alcohol testing, DOT-compliant physicals, DOT driver qualification file management, background checks and license verifications.

For more information, go to www.aradc.org/GIS.

#### YRC FREIGHT

ARA members can save as much as 40 percent on LTL shipping throughout North America with YRC Freight. YRC, the result of the merger of Yellow and Roadway Transportation, invented lighter than load freight. They specialize in palletized shipments more than 150 lbs. and offer ground and air expedited and guaranteed solutions, making them a perfect solution for ag retail freight needs.

To learn more about the ARA program benefits and features, contact your YRC Freight Association Representative at (800) 647-3061, email associations@yrcfreight.com or go to www.aradc.org/YRC.



More than a dozen ag retail professionals participated in the Strategic Decision Making seminar hosted by Purdue University and ARA June 23-25, 2015.



More than 30 attendees participated in the Coachella Valley Agricultural tour Dec. 3 following the ARA Conference & Expo. Attendees toured vegetable fields and a date processing facility.

#### PROFESSIONAL APPLICATOR TRAINING

The Professional Applicator Training course, hosted by the Asmark Institute, is currently available at more than 36 locations across the United States, and is available to ARA-member retailers. ARA can help to schedule courses in locations where their members need training and support advocacy on issues such as drift reduction technology and new chemistry.

This course stresses the applicator's importance to a successful business and includes hands-on demonstrations and exercises. Led by Robert E. Wolf, Ph.D., this one-day course features more than \$250,000 of new equipment designed and constructed exclusively for this training.

For more information, go to www.asmark.org.

#### SECURITY VULNERABILITY ASSESSMENT

The Security Vulnerability Assessment, updated in 2014, is a tool for retail facilities and terminals to use to identify and assess potential security threats, risks and vulnerabilities.

Developed by Asmark Institute with the help of the Agricultural Retailers Association (ARA), CropLife America (CLA) and The Fertilizer Institute (TFI), this web-based tool meets the Center for Chemical Process Safety (CCPS) design criteria for conducting security vulnerability assessments. Retailers who use this program to assess facility and Hazmat transportation security can do so with confidence that their assessment is based on sound risk assessment principles.

For more information or to access log in credentials, go to www.aradc.org/sva or contact David McKnight at David@aradc.org or (202) 595-1710.

#### **CDMS GUIDE**

CDMS provides ARA members with free access to GUIDE, the most robust and reliable crop protection app available. GUIDE provides access to agronomic and product compliance information through a user-friendly interface. The database contains information on crops, rates, target pests, geographies for use, label types, pre-harvest intervals, worker safety, shipping, usage directions and regulatory information directly to your smart phone or tablet.

Downloading the free app from the mobile store of your choice and call CDMS at (800) 237-2367 for access. Users will be provided a token specific to ARA in order to take advantage of this offer. Once registered and configured, ARA members will have access to all product updates, notifications and information.



#### **AGRIAN LABEL DATABASE**

Available to members through the ARA website, the Agrian Label Database is backed by hundreds of supporting manufacturers, the Agrian's label database contains more than 6,100 manufacturer-guaranteed products. Every entry includes the manufacturer's label and supporting documents including MSDS, Section 24c, 2EE and organic certificates. The database is available anywhere with an internet connection.

# ARA Conference and Expo Highlights

# PERFORMANCE. PRECISION. PASSION.

ARA Conference & Expo » December 1-3, 2015 J.W. Marriott — Palm Desert, Calif.



The 2015 Agricultural Retailers Association's annual conference and expo was held Dec. 1-3 at the JW Marriott in Palm Desert, Calif. The theme: "Performance. Precision. Passion."

The event featured keynote presentations, breakout sessions, networking functions, a sold-out golf tournament, live and silent auctions, wine tasting and recognition of award recipients and the passing of the chairman's gavel.

A special pre-conference session kicked-off the educational component of the conference Dec. 1. "PSM and Hazmat Communications," presented by Amber Rose, industrial hygienist with Occupational Safety and Health Administration, offered attendees some perspective on implementation of PSM at a retail facility.



Paul Wenger, California Farm Bureau

The full program started Dec. 2 with keynote presentations from Steve Peterson, retired director of sourcing and sustainability, General Mills and Paul Wenger, president, California Farm Bureau Federation.

The breakout sessions featured presentations on millennial engagement, big data, banking and finance, branding, executive

health and water issues. The conference was capped off by a keynote presentation from retired Mosaic president and CEO Jim Prokopanko.

Many presentations from the conference – including video, audio and slides – are available on the ARA website: www.aradc.org.

Every year, ARA offers special events throughout the meeting. This year included a celebrity home tour and a Coachella Valley agricultural tour. For spouses, FMC sponsored a South of the Border Luncheon and chef demonstration.

The ARAPAC Golf Tournament was played at Palms Course at the JW Marriott Desert Springs Resort and Spa. The ARA Dinner and Auction was held at the JW Marriott Pavilion.

The conference also took time to recognize several award winners and program participants during the conference including the Retailer of the Year, recipients of the Distinguished Service and Jack Eberspacher Lifetime Achievement Awards, as well as the Rising Stars Class of 2015 and Leadership at its Best attendees.

#### CONTINUED SUPPORT FOR ARAPAC EVENTS

Every year at the ARA conference and expo, the association's political action committee (ARAPAC) holds special events, specifically a dinner, live and silent auction of donated items and the annual golf tournament.

This year's dinner theme was "An Evening of Pinot and Politics." Attendees had the opportunity to purchase tickets for a wine tasting that also benefited ARAPAC. Additionally, the silent auction and live auction followed dinner.

Proceeds from the dinner, auctions and golf tournament benefit ARA's political action committee, which makes contributions to support current federal representatives and candidates for federal office whose values align with ARA's policy objectives.



#### **Awards**



ARA RETAILER OF THE YEAR

Presented by Monsanto and AgProfessional

#### THE ANDERSONS

Pictured: Mark Helt, National Accounts Lead, Monsanto; Joe Hodges, Vice President Plant Nutrient Group, The Andersons, Daren Coppock, President and CEO, ARA.

#### **ENVIRONMENTAL RESPECT AWARD**

North American Regional Honorees Midwest – Crop Production Services, Clarence, Mo.

West - Gar Tootelian, Reedley, Calif.

East – Green Valley Agricultural, Inc., Caldonia, Mich. Spirit of Respect Award – Crop Production Services, St. Stephens Church, Va. North American Ambassador of Respect – Gar Tootelian, Reedley, Calif.



#### PRECISION IMPACT AWARD

East Georgia Agronomy Services Southern States Cooperative, Richmond, Va. Central Valley Ag Cooperative, O'Neill, Neb. Co-Alliance, LLC, Avon, Ind.

#### **GOLF TOURNAMENT HIGHLIGHTS**

The 2015 ARAPAC golf tournament was held at the Palms Course at the JW Marriott Desert Springs Resort and Spa.

**First Place Team:** Gregg Barnard, Glenn York, Brad Chesnak and Bryan Bayer

**Second Place Team:** Joe Hodges, Mark Sharitz, Dewey Leach and <u>Josh Hunter</u>

**Third Place Team:** Greg Stake, Steve Taylor and Patrick Sanders

#### **SPECIAL PRIZES**

Closest to the Pin: Brian Bayer: 2 feet 4 inches; Mark Sharitz: 9 feet 10 inches

Longest Drive: Dion Buhman; Denton Schwiesow





JACK EBERSPACHER
LIFETIME ACHIEVEMENT
AWARD

Richard Gearheard, President, Retail Division (Retired) Agrium, Inc.



DISTINGUISHED SERVICE AWARD

Billy Pirkle, Senior Director, Environment, Health and Safety, Crop Production Services



#### AGCO OPERATOR OF THE YEAR

Brian Manolovits, Ag Operator, Wilbur-Ellis, Mott, N.D. Finalists: Curtis Fick, South Dakota Wheat Growers, Carpenter, S.D.; Tom Kestel, Ag Partners LLC, Alta, Iowa; and Dennis Rigney, Crop Production Services (CPS), Rochester, Ind.



#### **RISING STARS**

ARA hosted its third class of Rising Stars during the conference. The program, sponsored by Yargus Manafacturing, is a recognition and development initiative for high achievers and future leaders within the ag retail industry.

Participants included: Joe Bridges, J.R. Simplot Company; Ryan Brooks, MFA Inc.; Weston Carmony, Yargus Manufacturing; Tom Curtiss, International Raw Materials Ltd.; Mike Griffel, J.R. Simplot Company; Josh Hilbrands, South Dakota Wheat Growers; Kelly Kliner, J.R. Simplot Company; Nathan Locken, South Dakota Wheat Growers; John McCool, DuPont Crop Protection; Ashlee Rankin, Precision Laboratories, LLC; Seth Shaw, J.R. Simplot Company; and Kathy Westcott, Crop Production Services, Inc.

## ARA Retailer of the Year 2015: The Andersons

# Entrepreneurial Spirit Results in Enormous Growth

By Richard Keller, AgProfessional Magazine



What was once a family grain business, The Andersons, Inc. has grown into a diverse, publically traded corporation with five operating groups that still emphasize their original ties to the founding family values. For its achievements and business culture, The Andersons has earned the 2015 Agricultural Retailer Association Retailer of the Year Award.

It was almost 70 years ago that Harold and Margaret Anderson and their six grown children founded The Andersons Truck Terminal in Maumee, Ohio. Today, there are five operating groups of The Andersons: Grain, Plant Nutrient, Ethanol, Rail and Retail.

Hal Reed, COO, who has worked in various positions within the company in his more than 35 years, is a true believer that the success of the company relates back to following the early-established company mission statement: "We firmly believe that our Company is a powerful vehicle through which we channel our time, talent, and energy in pursuit of the fundamental goal of serving God by serving others. Through our collective action, we greatly magnify the impact of our individual efforts to: Provide extraordinary service to our customers, Help each other improve, Support our communities and Increase the value of our company."

The mission statement is a guiding light, according to Reed. "This is a standard that in some respects is never truly attainable but always challenges us to continually improve and provide better service to our customers, employees and communities."

Reed notes that The Andersons strives to be a "partner of choice" to its customers and an "employer of choice"

to its employees. There is considerable pride within management about the company's success in maintaining both long-term customers and long-term employees.

The Andersons' operations span more than 20 states and employs about 3,400 people, but its headquarters remains in Maumee, a suburb of Toledo, Ohio.

#### FIRST EXPANSION INCLUDED FERTILIZER

The first two expansions from grain handling and merchandising were into retail stores and fertilizer sales and blending. Originally a warehouse market concept, today the company operates four general stores with an assortment of more than 125,000 products consumers need for their homes and a specialty food market, all in Ohio.

The original fertilizer blending of the early 1950s was done in a cement mixer. Since then, the plant nutrient side of the business has grown enormously to become a major aspect for The Andersons through its agricultural sales centers.

Reed explained that sales include liquid and dry fertilizers, anhydrous ammonia, micronutrients and specialty fertilizers for turf and ornamental and specialty crops.

The Andersons operates in areas that have environmental concerns about fertilizer runoff and nutrients in the water. Prime examples are the greater Toledo area at the western basin of Lake Erie where algae blooms have received national attention, and sales in Florida where water nutrient content is extensively monitored.

Doug Busdeker, senior manager, Northern Farm Centers, said, "We're working with the 4Rs Nutrient Stewardship Program. We started with that in 2010, and a lot of it was educating ourselves and our customers of the issues that were out here as far as crop nutrients and water quality."

This dedication to responsible farm practices extends throughout the organization. Barney Cherry, general manager, The Andersons' Florida Farm Centers, said, "We feel that it's important for our growers to put out the right material at the right time in the right crops. We make sure that our ag advisors know that. Our ag advisors take soil samples and water samples and interpret results for the customer. They sit down and use their experience with the customer's experience to be able to put out the right fertilizer at the right time and rate to do what they want to improve their crop."

Environmental stewardship is foundational, Reed says, and The Andersons focuses on it in many ways. Strong supporters of 4Rs research and education of customers "is something we must do as a part of the whole agricultural community."

The Plant Nutrient division of The Andersons is high volume with state-of-the-art equipment at its Farm Centers, such as this dry fertilizer plant mixing operation at Litchfield, Mich.

A portion of The Andersons' home office Plant Nutrient team was in discussion as COO Hal Reed stopped in to talk. From right to left is Tom Langevin, Bill Wolf, Reed, Nikki Walborn and John Kevern.

#### **SOLUTIONS FOR SUSTAINABILITY**

In many ways, sustainability is linked to stewardship, noted Reed. Both have major financial implications for agricultural customers. It is instilled in The Andersons' employees that they are "helping with risk mitigation and with the bottom line of our farmers." Sustainability to a farmer means having the financial ability to endure in farming and even pass their well- stewarded farm to the next generation, Reed added.

Being part of solutions for farmers is key, said Busdeker. "Most notable to me is the professionalism of our staff, the growth that they have had over time and bringing the proper information to our growers," he noted.

"We have got to have a vision to look a little farther out as to what the customer needs and what he may not even recognize that he needs yet," Busdeker said.

Forward vision is what has The Andersons' farm centers being progressive in providing services. Being on the edge of new technology, information services and product development are mainstays in serving customers.



Additionally, the founders of the company had a strong entrepreneurial spirit that continues today. Reed said, "We like that entrepreneurial spirit to drive the performance of the business and service to the customers."

Entrepreneurship accounts for how The Andersons has continued to diversify. "We started a rail leasing business that came out of the needs from our customer base, and today we have nearly 24,000 rail cars that we manage and a series of rail repair shops where we provide repair services for our customers and others," Reed said.

"And about 10 years ago, we got into the ethanol business. We're investors in four ethanol plants today. We have a significant partner in Marathon Petroleum Company that is an investor in three of those plants with us," he said.

#### SAFETY AND FAMILY CULTURE

Across every business group, safety is stressed for employees and customers, too. "One thing that I think is really important with our company is we have a strong safety culture," said Busdeker. He explained that "conscious awareness" is taught so that employees are aware of what is going on around them, including equipment operations, at all times. The Florida Farm Centers' Cherry noted he has not worked for a company that emphasizes safety more than The Andersons. Safety has "become a culture for us."

Cherry said, "You can ask anyone of them (employees), and I think they feel like The Andersons really cares about them. It's not a job, it's more of a family, you know? And I like it, I like to feel that way, too." He continued, "If you let employees do their job and you listen to them when they want to talk to you about issues, whether it's good, bad or ugly, then they tend to feel like they're part of the team. They make suggestions, and we can sometimes make changes; sometimes we can't, but being there and listening to people makes a big difference. They know that you care, and it's important, I think."

Busdeker said, "The Andersons was originally a familyowned company. And one thing that is remarkable, even though we're a public company today, is that the family flavor is still in the company."

# Thank You ARA Conference & Expo Sponsors and Exhibitors

More than 750 attendees took part in the 2015 ARA Conference & Expo. It remains an essential networking and professional development event for leading agricultural retailers. ARA's board of directors and staff wish to thank all of the 2015 sponsors and exhibitors for their continued strong support.

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# **Financials**

Agricultural Retailers Association Statement of Financial Position September 30, 2015

Current Assets	
Cash and cash equivalents	\$1,357,769
Accounts receivable	76,250
Prepaid expenses	110,561
Investments	3,374,876
TOTAL current assets	\$4,919,456
Property and equipment, net	25,101
Other assets	
Security deposit	14,161
TOTAL assets	\$4,958,718
Liabilities and Net Assets	
Current Liabilities:	
Accounts payable & accrued expenses	146,714
Deferred revenue	1,862,114
TOTAL current liabilities	\$2,008,828
Long-term Liabilities	
Deferred rent	60,031
TOTAL Liabilities	\$2,068,859
Net Assets:	
Unrestricted	\$2,889,859
Total liabilities and net assets	\$4,958,718

Agricultural Retailers Association Consolidated Statement of Activities September 30, 2015

Revenue	
Membership dues	\$2,120,311
Annual conference	770,648
Royalties	18,410
Sponsorship, grants and other	133,385
PAC administration	139,474
PAC income	65,852
SVA income	21,867
Net investment gain (loss)	(79,828)
TOTAL revenue	\$3,190,119
Expenses	
Program services:	
Annual conference	\$479,366
Communications	216,001
Special projects	98,440
Governance	257,944
Government relations	568,464
TOTAL program services	1,620,215
Supporting services:	
Management and general	950,635
Membership services	635,995
TOTAL supporting services	1,586,630
TOTAL expenses	\$3,206,845
Change in Net Assets	\$(16,726)
Net assets, beginning of year	2,906,585
Net assets, end of year	\$2,889,859



