

Premium Standard Farms (PSF)
Community Advisory Panel
Meeting Minutes 8/28/03

Members present: Mark Yungeberg, Ed Rhoades, Bill Schnelle, Robert Rathe, Ron Hinds

Also present: Cliff Gauldin (PSF), Bill Homann (PSF), Glynn Young (facilitator)

Ron Hinds served as chairman of the meeting, and called it to order at 7 p.m. in the PS Farms Education Center.

The minutes of the July 24th meeting were approved.

Hotline Activity

Cliff Gauldin reviewed calls received on the hotline. There have been seven calls since the last panel meeting (7/24/03) – two on odor, four on transportation and one miscellaneous (question about whether PS Farms stock was publicly traded) (it's not).

The two calls on odor were from a regular caller and a neighbor near the Henke contract barns. On the latter call, the contractor will respond unless PS Farms' involvement is requested or if it is an ongoing issue. The calls on transportation related to two complaints about dust and two about truck drivers.

For all of 2003 to date, 39 calls have been received, of which 16 related to odor and nine to transportation. The others concerned human resources/employment questions (6), contract/finishing questions (4), the community newsletter (3) and one on the trading of stock.

One panel member asked if PS Farms had a policy concerning the use of cell phones by drivers while they are driving. Homann said the company does not, although it does have a company driver policy that includes straightforward expectations of driving performance, and that violations are closely monitored. Ron Hinds noted that the telephone company prohibits its drivers from using cell phones while driving, and that any accident is reviewed by an employee team. At PS Farms, Homann said, the supervisor does the investigation of a driving accident and the report and any recommendation is reviewed and approved by him.

Incident Reports

The group reviewed five incident reports:

- Hickory Creek 1 (June 3), in which effluent reached a neighbor's property after from a drain pipe in the containment area. The flow was contained and did not enter state waters, but DNR was notified since the release exceeded 1,000 gallons.

Cleanup operations were completed in two days. The investigation of the incident revealed debris had been in a discharge line.

- Wolf 2 (May 19), in which nine tons of feed spilled at Wolf 2 G barn, causing a pit to plug. The plug caused a release, which flowed to the secondary containment. DNR was notified, since the release exceeded 1,000 gallons. The resulting investigation recommended that employees participate in refresher emergency response training (which was done June 3).
- Scott Colby 6 Recurring Incident (Oct.-Nov. 2002), in which effluent escaped the system on four occasions and for various reasons. All of the incidents involved 30 gallons or less.
- White Tail 3 Recurring Incident (Dec. 2002), in which two risers were found to be leaking. Utility crews cut off and re-lidded the riser.
- Breed Stock Farm Recurring Incident (May 2003), in which sprinklers were found to be leaking outside the barn and water was coming outside the barn through the curtains from washing the barn. The sprinklers were relocated to direct the spray away from the curtains.

The panel asked a number of questions concerning the incident reports, which were answered by Homann:

Q: Where is Johnson Controls located?

A: Here at the main office. They are available 24 hours a day, seven days a week.

Q: Are containment valves normally open (re the Hickory Creek incident)?

A: No, but it wasn't well defined in our expectations.

Q: What was DNR's response to the Hickory Creek incident?

A: A DNR investigator happened to be nearby. It had not reached state waters and cleanup was timely.

Q: Concerning the curtain leak incident, is that reportable?

A: Yes, according to PS Farms' policies.

Bill Homann explained that the Wolf 2 incident was a systems failure, and that training procedures were reviewed with employees, to stress that protocol requires immediate notification to Johnson Controls to step in. He also said that, for all incidents, an Incident Review Committee meets within 48 hours of an incident and/or every three weeks. The committee particularly focuses on recurring incidents.

Q: It would appear the secondary containment structures really help?

A: Yes. We originally established them as a company policy, and they later became a state requirement.

Q (comment): Public perceptions of a spill or an incident are totally different from what actually happens. The public thinks in catastrophic terms, whereas many are quite small.

Q: Have there ever been any lagoon breaches?

A: No.

Panel Purpose Statement

The panel discussed a draft purpose statement that was based on the discussion at July 24th meeting. After discussion, the panel approved the following as its purpose statement:

“The purpose of the Community Advisory Panel is twofold:

- (1) To help Premium Standard Farms understand and respond to community concerns or questions about the company’s farm operations.
- (2) To help the community gain a better understanding of PS Farms’ operations.”

The purpose will be posted on the PS Farms web site. Additionally, the panel asked Homann and Gauldin to make sure that people know how issues connected to Milan and the production plant were being addressed, since this panel is focused on farm operations.

Putting the Purpose to Work

The panel discussed a number of possibilities for projects that it could undertake. One possibility is a survey of neighbors regarding how well the lagoon covers have been working. Glynn Young and Cliff Gauldin will prepare this idea as a proposal for the next meeting.

General Questions and Answers

Panel members made a number of general comments and also asked Bill Homann and Cliff Gauldin a number of questions related to operations.

Q: How is the water situation at the farms?

A: There are two farms where the situation is critical. One has a 20-weeks supply. The packing plant has a 200-300 day supply, but if the Con Agra plant comes on line quickly, that could pose a problem.

Gauldin distributed a copy of an article in the Brookfield newspaper about how PS Farms has been helping farmers in Linn County through the drought. Ron Hinds commended the company for being a good neighbor.

Q: Our area’s biggest issue is water – but it doesn’t seem to be a national or state priority.

A: We’ve been trying to get permits for two dams (to raise them four feet) for about three years. It’s been a real problem. And even in drought conditions, the Corps of Engineers is requiring PS Farms to release water.

Q (comment): PS Farms work in advancing agricultural technology needs to be better understood and appreciated. Perhaps we as a panel could devote one meeting a year to this subject.

Q (comment): Another good thing is the company's humane treatment of animals. People don't realize the higher standards adhered to by PS Farms.

Other Panel Business

The panel discussed adding members, emphasizing the need to get better representation geographically and demographically. Cliff Gauldin and Glynn Young will work on this.

The next meeting of the panel will be Thursday, Sept. 18 at 7 p.m. at the PS Farms Education Center.

The meeting was adjourned at 9:10 p.m.

Respectfully submitted,

Glynn Young