

Premium Standard Farms  
Community Advisory Panel  
Meeting Minutes: 2/26/04 **DRAFT**

**MEMBERS PRESENT:** Ed Rhoades, Mark Yungeberg, Bill Schnelle, Charlie Fowler, Jack Tucker, Dave Thomas

**ALSO PRESENT:** Bill Homann, Cliff Gauldin, Dr. Lisa Becton, and Jason Helton, all of PSF.

### **Approval of Minutes**

Cliff Gauldin informed the group that minutes from the 1/22/04 incorrectly stated that 12 rather than the correct number of 10 incident reports were included the packet for the last meeting. Ed Rhoades moved to approve the corrected minutes, seconded by Mark Yungeberg, and approved by the group.

### **Hotline Report**

Cliff reported there were no content related calls to the hotline, except for a couple of calls from employees asking human resources related questions.

### **Incident Reports**

Cliff distributed copies of one incident report to the group. Bill Schnelle's questions included the definition of a bio-curtain and the life span of the float switches. Bill Homann responded that a bio-curtain was very similar and essentially the same as the air dams on the end of the building that most everyone is familiar with. He went on to describe the float switch involved in the incident report and stated that they are tested monthly and are being changed out during routine inspection.

Ed Rhoades asked: 1) what sort of response DNR provides these sorts of incidents, and 2) whether any dirt needed to be removed. In response to the first question, Bill Homann stated that their focus is primarily cleanup and then cause and effect of the situation. Bill went on to say that dirt was not removed but any ice that formed was removed and placed in the containment structure, eventually to be pumped to the lagoon after it thawed.

### **Operations Update**

Bill Homann discussed the reduction in force within the company that was announced earlier in the week. He shared a memo from the CEO with the group and explained that during the budgeting process, all areas of operations were explored, and as a result of rising costs, primarily feed, some positions that were not critical to the production of a hog were eliminated in order to bring the cost structure closer to supporting the remaining operating infrastructure. Mark Yungeberg asked if the disease problem was part of the reason for this reduction. Bill stated the company goal is to produce our way to better revenues and the projected productivity improvements resulting from improved herd health and biosecurity should help the overall bottom line.

Dave Thomas asked the number of positions eliminated and Bill responded that 23 positions were effected and most were offered another opportunity in the company. Bill went on to state that additional cost cutting measures included reducing approximately 10% of the light duty truck fleet and reducing some of the veterinary budget. Charlie Fowler asked if this meant reducing medicines for the animals or better purchasing costs. Bill responded this was an opportunity in both areas. Bill Schnelle inquired of the departments that were effected. Bill Homann stated that most of the positions were administration in Princeton, some corporate, with some consolidation on the farms operations side. Jack Tucker stated that he had a sense in the community that the company is seen as a bit of a bad guy right now and that public relations are not currently very good as a result of the position eliminations. Cliff announced his position was one of the effected positions and that this would be his last CAP meeting. He thanked the group for their involvement and commitment to the panel over the years. He introduced Jason Helton to the group, who will be helping to facilitate the panel in the future.

### **Crystal Peak/Consent Decree Update**

Cliff Gauldin distributed copies of a press release, the Attorney's General's press release, and a company memo announcing the Crystal Peak fertilizer plant as one the "next generation" technologies. Cliff also offered a copy of the updated consent decree to the group for their review. Discussion followed on the possibility of the organic market for fertilizer product. Dave Thomas stated he felt that generally the community feels good about the improvements by the company and that opposition is getting further and further away from the area and specific production sites.

### **Biosecurity**

Dr. Lisa Becton gave a Powerpoint presentation with handouts on biosecurity and the new focus on overall herd health. Discussion followed on PRRS and resulting company activities. Mark Yungeberg stated the company is doing a good job educating vendors and others in the community on the operating changes. Dave Thomas asked how DNR was accepting the changes. Bill Homann stated there have been challenges but informational meetings to help them understand the health grid has helped. Bill Schnelle asked how company night security has been impacted. Bill and Dr. Becton responded that levels of risk have to be assessed and some changes have been made. Planning with other departments, such as Land Resources, has also had to take place. Ed Rhoades stated an issue he has heard is what sort of interaction employees are supposed to have outside of work as a result of biosecurity. Dr. Becton explained situations vary but the layers of biosecurity and changes in protocols and procedures should help to address these issues as much as possible.

### **Next meeting**

The next meeting date was set for March 25, 2004 at the PSF Education Center.

The meeting adjourned at 9:00 p.m.

Respectfully submitted,

Jason Helton