

Premium Standard Farms  
Community Advisory Panel  
Meeting Minutes: 3/25/04

**MEMBERS PRESENT:** Ron Hinds, Ed Rhoades, William Schnelle, Jack Tucker

**ALSO PRESENT:** Bill Homann, Jason Helton, Steven Dotson, Blake Boxley, Kurt Meighen, all of PSF.

The meeting began at approximately 7:10 p.m. and Jack Tucker was elected chairman of the meeting.

### **Approval of Minutes**

After review, Ed Rhoades moved to approve the minutes, seconded by Ron Hinds, and approved by the group.

### **Hotline Report**

Jason reported on two transportation related calls to the hotline: 1) a driver called to report a semi and trailer pulled out in front of him without stopping at a driveway; the driver reported the location, time, and trailer number; it was subsequently determined to be a contract driver pulling a company trailer; a documented verbal warning was issued; the caller was notified of the outcome; 2) a call was made claiming a broken windshield as a result of a rock thrown by a company truck; the caller did not leave his name, phone number, location, or any other information to allow the company to follow up.

### **Incident Reports**

Jason distributed copies of four incident reports to the group. William Schnelle noted that Terre Haute makes the list often. Bill Homann responded that acid washing of recycle lines was underway and the goal is to completely get through the system two times per year. The company was also researching new methods and procedures to address struvite (salt) build up. Ed Rhoades asked if more plugging related problems happened at sow farms. Bill responded that it seemed to be an even distribution between sow and grow/finish sites. Jack Tucker asked if the Terre Haute incident was reported to DNR. Bill responded they would have been notified even though it was not noted in the report narrative.

Bill introduced Steven Dotson, Blake Boxley, and Kurt Meighen from the Environmental Regulatory Compliance group and summarized their responsibilities. ERC duties include spill investigations, environmental sampling, odor complaints, and special cases. Discussion followed on sampling procedures, nutrient composition and loading of area soils, and response procedures. Jack Tucker thanked the group for the 3-ring binder of soil tests and information that is provided to those neighbors with spreading agreements. He stated that was a great service.

Ron Hinds asked how odor complaints were handled. Blake stated that after someone notifies DNR, ERC responds with a scentometer operated by a trained individual to gather readings. DNR uses the same instrument. Bill Homann stated that this science was not exact and very subjective. Ed Rhoades commented that the sensitivity of humans would seem hard to remove from the testing. Ed asked whether lagoons or barns generated most of the smell. Steven Dotson discussed the essential oils project which will install vapor misters of water soluble oil at 19

sites. Ron Hinds added that he felt the units and not the lagoons were where most of the smell came from. William Schnelle asked if the company had calculated the equivalent cost of fertilizer provided to neighbors as a result of the spreading agreements. Steven responded that by using conservative estimates and acreage amounts, over \$500,000 annually was provided by the company to neighbors in product alone, not including any labor. Jack Tucker confirmed the conservative estimates by his calculations.

### **Operations Update**

Bill Homann reported that the company's operating budget had been approved by the Board of Directors. Three key objectives of the budget include: increase the margins at the Clinton, NC facility; control costs throughout the company and increased production and volume; and continue to improve the health and productivity at the farms. He also stated the numbers from the west side depop were looking good and the process is set to begin on the east side operations soon beginning with Terre Haute. Bill announced that a long-term purchasing agreement with Simplot was signed recently for the Crystal Peak fertilizer product. The plant is due to be operating within one year from the date of permit issuance.

Ron Hinds asked about pending legislation in Jefferson City. Bill provided a brief summary and update of HB 1176 & 1177.

### **Environmental Management Systems**

Steven Dotson, Blake Boxley, and Kurt Meighen made a presentation on an initiative underway in the company. In summary, an EMS is a formalized process of doing what we do through a systematic approach to planning, controlling, measuring, maintaining, and improving on environmental goals. It is a philosophy of what gets measured gets done by bringing all departments together to help everyone understand how they impact the whole environmental system and how best to work together.

Ron Hinds asked how the information gets back to management. Blake responded that documentation is the key avenue and this process examines the best way to streamline and combine reports, for example, when possible. Ron stated this process was a good idea and commended the company and process for including the diversity of people. Bill Homann added the EMS was a voluntary program that does add accountability while offering benefits including employee awareness, enhanced performance and compliance, increased efficiency, and enhanced employee morale.

### **Comments**

Ed Rhoades commented that his brother has recently been working as a consultant in the Milan facility and stated that of all the plants he has been in, he noticed the employee morale and camaraderie in that facility was very good and like nothing he has seen elsewhere.

### **Next meeting**

The next meeting date was set for 7:30 p.m., April 22, 2004 at the PSF Education Center. The meeting adjourned at 9:00 p.m.

Respectfully submitted,

Jason Helton