

Premium Standard Farms
Community Advisory Panel
Meeting Minutes: 5/27/04

MEMBERS PRESENT: Robert Rathe, Ed Rhoades, Dave Thomas, Paul Thomas, Jack Tucker, Mark Yungeberg

ALSO PRESENT: Anthony Henke and Jason Helton, both of PSF.

The meeting began at approximately 7:30 p.m. and Jack Tucker was elected chairman of the meeting.

Approval of Minutes

After review, Ed Rhoades moved to approve the minutes of the previous meeting, seconded by Mark Yungeberg, and approved by the group.

Hotline Report

Jason reported three calls to the hotline since the last meeting. One call was from a property owner near the Ruckman farm with an odor complaint. Two calls were from the same family on the same day with an odor complaint from Scott Colby 3 & 4. ERC conducted a site visit to check lagoon covers. The caller was informed that the lagoon covers were in place and operational and that the source was likely the lagoons turning over.

Incident Reports

Copies of eight incident reports were distributed to the group for review. Dates of the incidents range from 1/17/04 to 4/14/04. The group discussed particular incidents and the meaning of terms used in the reports. The suggestion was made by multiple members that the reports do a better job of listing the parameters of what happened, specifically state where any leak, seepage, or backed up effluent was contained, and that the reports should generally be clear, simple, and include outcomes.

Operations Update

Jason updated the group on company operations since the last meeting. Topics included financial performance, farm production numbers, PRRS eradication efforts on the west side operations and beginning at Terre Haute, current land application, existing freshwater supplies, and development status of the Crystal Peak fertilizer plant at Valley View. It was also reported that the number of odor investigations by the Missouri Department of Natural Resources has increased recently at farm and plant locations. As a result of complaints, two Notices of Violation by MDNR were issued to the Milan processing facility.

A copy of a press release regarding a recently filed lawsuit against PSF was distributed to the group. General discussion followed.

Contract Finishing

Anthony Henke discussed PSF's contract finishing program with the group. Two key features of the program are that the contract barns allow flexibility in the health improvement plan/depop activities and that more finishing space is available as the animals are kept on feed longer. A question was asked whether the plan was to grow bigger animals or more animals and whether

more growers were needed. Anthony answered that heavier animals was the goal and that the number of sows has not been increased. Another question dealt with how barns would be replaced in the future – company owned or contract. Anthony stated that the contract growers were key to any future growth. A comment was made that a difference can be seen in townships that have contract growers by new motorgraders, better roads, etc. It was estimated that each building generates \$2800 in new taxes. A member commented that the contract finisher program was a good program for the area and offered benefits including steady income, can subsidize other income, allows young people to start out and to stay on the farm.

A question about land application was asked. Anthony responded that PSF requires contract operations inject from deep pit barns. A panel member commented from his experience that roughly 50% of the previously estimated manure amount was actually produced. Another comment was the increase in hay production was unbelievable after injection was started. Anthony stated that each proposed contract site is evaluated based on distances more strict than DNR requirements. Eight new barns are in the permit stage as of this day.

Comments

Jason stated that the approved minutes from previous CAP meetings are now posted on the website. The group was also asked their interest in having a dinner prior to the next meeting and agreed to the idea.

Next meeting

The next meeting date was set for 7:00 p.m., June 24, 2004 at the PSF Education Center to be preceded by the appreciation dinner at 6:00 p.m.

The meeting adjourned at 9:15 p.m.

Respectfully submitted,

Jason Helton