

Premium Standard Farms
Princeton, Missouri
Community Advisory Panel
Meeting Minutes: 2/3/05

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

ALSO PRESENT: from PSF – Jason Helton, Bill Homann, Eldon Weber, Gordon Becton.

The meeting began at approximately 7:00 p.m. and Dave Thomas was elected chairman of the meeting.

Approval of Minutes

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

International Sales and Exports presentation

Eldon Weber, Director of International Sales and Exports, gave a presentation on topics, issues, and strategies related to the company's international sales activities. Topics included the countries traded with, product preferences for each, international pricing/gate prices, business opportunities, market/trade barriers, product quality control specifications and measures, and shipping logistics. A number of related questions were offered throughout the presentation.

Hotline Report

Jason reported two calls to the hotline since the last meeting. One call reported careless driving by a company semi truck and trailer on I-29. Investigation showed it to be a hired transporter taking a trailer to the factory for repairs. This information was reported back to the original caller. The second was from a lady in Milan, MO calling to thank the company for its efforts toward what she stated as now not being able to smell any odor in Milan for the past year. Two non-hotline related calls were presented to the group. Both were transportation related and dealt with claimed windshield damage from thrown rocks or ice falling from company trailers. The company's policy of not making payment was explained to the callers and group.

Incident Reports

A number of accumulated incident reports were provided to the group for review. Bill explained how the internal incident review committee operated along with the discussion and proper format required for each report. A number of questions were asked by the group including specific incidents; recurring incidents at the same sites; what new solutions have been explored; why certain farms have more incidents; what is being done to correct those; and suggestions were offered to wording so that an accurate summary is presented minimizing the risk of misinterpretation.

Operations Update

Bill provided a report on production from the farms side stating that numbers continue to be good enough for a record year. The winter weather presented a number of challenges in a number of areas, particularly feed and market hog delivery. In spite of the bad weather, no deliveries were missed to the Milan plant as a result of the efforts of drivers, company road

crews, and cooperation and communication with MoDOT. Bill reported that compensation for company truck drivers was being adjusted upward to address and compete with market demands.

Questions/other issues

A question was asked related to recent legislative activity in Jefferson City and pending federal regulations. A comment was made that transportation issues/needs of the area was a hot topic in Jefferson City and hopefully MoDOT and legislators will respond to area input. A report was given on the progress of the Crystal Peak fertilizer plant. A comment was offered recognizing company truck drivers delivering feed and hogs despite poor and icy road conditions.

Next meeting

The next meeting date was set for 7:00 p.m., March 24, 2005 at the PSF Education Center.

The meeting adjourned at 8:45 p.m.

Respectfully submitted,

Jason Helton