

Premium Standard Farms
Princeton, Missouri
Community Advisory Panel
Meeting Minutes: 3/30/06

Members Present: Ron Hinds, Ed Rhoades, Mark Yungeberg, Jack Tucker

Also Present: From PSF – Collette Schultz-Kaster, Bill Homann, Jason Helton

The meeting began at approximately 7:00 p.m. Mark Yungeberg was elected chairman.

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.

Presentation

Collette Schultz-Kaster, Vice President of Food Safety, Quality Assurance and Technical Services, provided an overview of her company-wide responsibilities. A number of questions were asked throughout her presentation which covered topics such as food safety, regulatory compliance, product development and specifications, labeling, animal welfare, animal genetics, and various research projects. She discussed the close relationships between the farms and the plant and described the importance and value of the Process Verified Program (PVP).

Hotline Report

One hotline call was received and reported from an anonymous caller complaining that the company semi-drivers drive too slow. Two non-hotline, transportation related incidents were reported. One driver claimed that a chunk of ice from the top of our trailer broke his vehicle's windshield. After an explanation of the company washing and baking procedures and the company road hazard policy, he threatened retaliation in order to recoup an equivalent amount of damage. Another call was from a neighbor of Valley View reporting trucks using a road that the company had previously agreed not to use on a routine basis. The incident was reviewed with the driver.

One CAP group member shared a recent example he witnessed of a company semi approaching a stop sign at an apparent unsafe speed.

Incident Reports

Two incident reports (one from December 2004 and one from December 2005) were presented to the group for review and discussion.

The group inquired about the number of DNR inspections and follow-up visits.

Operations Update

Bill stated that land application season is beginning. Company and contractor crews will be used again this year. He shared that the AND systems coming on-line will reduce the number of acres required and will impact the number of people, thereby creating the opportunity to improve efficiency without compromising safety and application requirements. A water re-use system is being implemented for Whitetail to be utilized after the AND process.

Questions from the group included whether water shortage was a concern; status of the Crystal Peak plant; and the impact of the wage increase. Bill stated a close eye was being kept on the water at a couple of locations; slow, steady progress is being made a CPF but new sets of issues continue to arise; and that the wage increase has resulted in a positive impact on turnover and quality candidates have been attracted.

Bill also shared that the company experienced another good year financially and from a production standpoint. He updated the group on PRRS challenges at Terre Haute as well as storm damage there and at Whitetail. No loss of animals or injuries to personnel was experienced. Much of the repair materials and building supplies were purchased locally near the effected areas.

Questions/Other Issues

Jason reported on the groundbreaking held March 20 at the Milan processing facility.

The group set the next meeting date for April 27, 2006 at 7 p.m.

Meeting adjourned at approximately 9:00 p.m.

Respectfully submitted,
Jason Helton