



Capital Notes

Washington State Council of Farmer Cooperatives * 9103 Chestnut Hill Lane SE * Olympia, WA 98513

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Legislature goes home without budget deal

The first Special Session of the Washington State Legislature ended Friday, April 7, 2000, without agreement of the supplemental operating and transportation budgets. The major stumbling blocks to agreement are: 1) the terms and breadth of a property tax reduction; and 2) whether or not long-term (bonding) support is part of the transportation project budget.

Governor Gary Locke weighed into the budget fray late last week, when he announced his decision to make his own budget proposal public this week. Locke's budget is expected to be public by Thursday, April 21st and he plans to call the legislature back into session on Monday, April 24th.

Farm supply companies under vehicle escort rules

In February, the Washington State Department of Transportation adopted an emergency rule to include farm supply companies, agchem dealers and implement dealers under the same vehicle escort rules as farmers. The rule change was requested by Senator Larry Sheahan, R-Rosalia and Representative Mark Schoesler, R-Ritzville.

Prior to the new rule adoption, agchem and implement dealers, including farm supply companies, were required to meet vehicle escort rules that apply to all other oversize vehicle operators, such as mobile home manufacturers. For farm supply companies, the biggest impact of the rule is to relax requirements for moving fertilizer and spray equipment on rural highways and roads.

Specifically, the new rule exempts farmers, farm implement dealers, and agrichemical dealers from the following, while moving farm implements on state highways.

Following is a copy of the DOT emergency rule:

WAC 468-38-290 Farm implements.

(1) A farm implement includes any device that directly affects the production of agricultural products, including fertilizer and chemical applicator rigs and equipment auxiliary to them. For purposes of this section, it must weigh less than forty-five thousand pounds, be less than twenty feet in width, and move on pneumatic tires, or solid rubber tracks having protuberances that will not hurt the highway, when on public highways.

(2) Self-propelled farm implements, including a farm tractor pulling no more than two implements (no vehicle capable of carrying a load may pull more than one trailing implement, i.e., a truck of any kind) up to sixteen feet wide are exempt from acquiring a special motor vehicle permit for movement: Provided, That the movement of the implement(s) complies with the following safety requirements:

(a) Oversize signs: If the farm implement exceeds ten feet wide, it must display an **"oversize load"** sign(s) visible to both oncoming and overtaking traffic. Signs must comply with the requirements of WAC 468-38-190. If the implement is both preceded and followed by escort vehicles a sign will not be required on the implement itself.

(b) Curfew/commuter hours: Movement of a farm implement in excess of ten feet wide must also comply with any published curfew or commuter hour restrictions.

(c) Red flags: If the farm implement, moving during daylight hours, exceeds ten feet wide, the vehicle configuration must display clean, bright red flags at least twelve inches square, so as to waive freely at all four corners, or extremities, of the overwidth implement and at the extreme ends of all protrusions, projections or overhangs. If the transported implement exceeds the end of the trailer by more than four feet, one flag is required at the extreme rear, also, if the width of the protrusion exceeds two feet, there shall be required two flags at the rear of the protrusion to indicate the maximum width.

(d) Warning lights: Lamps, and other lighting must be in compliance with RCW 46.37.160 Hazard warning lights and reflectors on farm equipment – Slow moving vehicle emblem. The slow moving vehicle emblem is for equipment moving at a speed of twenty-five miles per hour or less.

(e) Convoys: Farm implement convoys shall maintain at least five hundred feet between vehicles to allow the traveling public room to pass safely. If five or more vehicles become lined up behind an implement, escorted or unescorted, the driver/operator of the transported implement, and escorts, if any, shall pull off the road at the first point wide enough to allow traffic to pass safely. Convoying of farm implements is permitted with properly equipped escort vehicles.

(f) Escort vehicles: In general, the use of escort vehicles must comply with WAC 468-38-110 Escort vehicle requirements and WAC 468-38-100, which covers when escort vehicles are required. The following specific exemptions are provided:

(i) ~~A farmer ((operating his own equipment, or operated by his employee (to include farmers working in a cooperative effort with their neighbors, but not to include commercial for hire farming operations), in transport between his own fields)), farm implement dealer, or agri-chemical dealer (including employees of each) is exempt from WAC 468-38-110 (5)(a) and (b), (6) relative to passengers, WAC 468-38-110 (11)(e), and (16)(a) and (b) when ((operating)) moving a farm implement~~ off of the interstate and on the following rural interstate segments:

I-90 between Exit 109 (Ellensburg) and Exit 270 (Tyler);

I-82 between junction with I-90 (Ellensburg) and Exit 31 (Yakima);

I-82 between Exit 37 (Union Gap) and Exit 102 (West Richland);

I-82 between Exit 114 and the Washington/Oregon border;

I-182 between junction with I-82 (West Richland) and junction with SR-395;

I-5 between Exit 208 (near Marysville) and Exit 250 (near Bellingham).

(ii) On two-lane highways, one escort vehicle must precede the implement(s) and one escort vehicle must follow the implement(s) when the width exceeds twelve and one-half feet wide; implements not exceeding twelve and one-half feet wide are exempt from using escort vehicles.

(iii) On multiple-lane highways, one escort in the rear is required if the vehicle exceeds fourteen feet wide.

(iv) A flagperson(s) may be used in lieu of an escort(s) for moves of less than five hundred yards. This allowance must be stated on any permit that may be required for the move.

(g) Road posting: Posting a route may be used in lieu of escort vehicles if the route to be traveled is less than two miles. Signs reading "**oversize vehicle moving ahead**" on a square at least three feet on each side (in diamond configuration), with black lettering on orange background, shall be placed at points before the oversize implement enters or leaves the highway and at any entry points along the way. The signs must be removed immediately after the move has been completed.

(3) Farm implements exceeding sixteen feet wide, but not more than twenty feet wide, are required to have a special motor vehicle permit for movement on state highways. A quarterly or annual permit may be purchased by a farmer, or any person engaged in the business of selling and/or maintaining farm implements, to move within a designated area, generally three to four counties. The permit is required to be physically present at the time of movement. In addition to the safety requirements listed in subsection (2) of this section, notification of a move (~~(must)~~) should be made to all (~~Washington state patrol detachment offices or~~) Washington department of transportation maintenance areas affected by the move, to determine if the route is passable. Phone listings are provided with each permit.

[Statutory Authority: RCW 46.44.090, 99-18-019 (Order 192), § 468-38-290, filed 8/23/99, effective 9/23/99; 85-11-062 (Order 46, Resolution No. 243), § 468-38-290, filed 5/20/85; 83-16-018 (Order 39, Resolution No. 195), § 468-38-290, filed 7/25/83; 82-18-010 (Order 31, Resolution No. 156), § 468-38-290, filed 8/20/82. Formerly WAC 468-38-460. Statutory Authority: 1977 ex.s. c 151, 79-01-033 (DOT Order 10 and Comm. Order 1, Resolution No. 13), § 468-38-290, filed 12/20/78. Formerly WAC 252-24-342.]

Cooperative Conference 2000

Washington, D.C. – At Cooperative Conference 2000 in Washington, D.C. April 26 and 27, cooperators from the Cooperative Development Foundation (CDF), the National Cooperative Bank (NCB) and the National Cooperative Business Association (NCBA) will proclaim *The Power of the Cooperative Sector*. In addition to joint programming, the conference will include the annual meetings of CDF, NCBA and NCB.

The conference will feature a panel-led discussion by government and cooperative leaders, journalists and academics. In "Making the Case for the Cooperative Sector." Panelists will describe cooperatives' major role in the nation's economy and society and why it is in the best interest of government to promote cooperatives as an economic alternative for consumers and producers alike.

Two workshops will closely examine cooperatives. One session will take an industry-by-industry view of how the federal government supports the cooperative sector and cooperative development, with a special view of what is worth retaining and what could be improved. Another workshop will explore strategies that developers of cooperatives can implement to measure outcomes in the projects they undertake in order to gauge and communicate the value of cooperative development.

At NCBA's annual business meeting on April 26, members will vote on candidates for the NCBA Board of Directors, consider the annual statement of policy and hear NCBA President and CEO Paul Hazen report on the association's activities and strategic plan.

Speakers

U.S. Department of Agriculture Secretary Dan Glickman will be the speaker at the traditional public policy breakfast. After five years in office, Glickman is the longest-serving Secretary of Agriculture. Prior to leading USDA, he grew to be a recognized leader in food and agriculture policy, having served 18 terms in the U.S. House of Representatives representing Kansas' fourth congressional district.

NCB's annual meeting will focus on *The Power of the Virtual World – Using the Internet to Meet Your Business Needs*. Robin Zeff, Ph.D., president of the Zeff Group, an Internet marketing, training and consulting firm will address that theme in her keynote address. She is the author of two books, *Advertising on the Internet* and *The Nonprofit Guide to the Internet*.

Other Events

The annual Cooperative Hall of Fame Banquet and Induction Ceremony will be held Wednesday evening, April 26 at the National Press Club. This year's inductees are Dave and Erma Angevine, Edgar F. Callahan, Richard Magnuson and O. Glenn Webb. The Co-op Hall of Fame is the highest honor that the cooperative community bestows upon its heroes.

The 2000 class of Future Co-op Leaders will also participate in the Cooperative Conference. Their activities extend from Tuesday, April 25 through Saturday afternoon, April 29.

The NCBA Board of Directors will hold its reorganization meeting on Friday, April 28.

The headquarters for the Cooperative Conference will be the Madison Hotel in Washington, D.C. at 15th and M Streets, NW, in Washington, D.C.

More information about Cooperative Conference 2000 is available on the "conferences" heading of the website www.cooperative.org.

WSCFC gives salmon input

WSCFC has commented on the Endangered Species Act proposed 4(d) rule and the Federal Caucus options both aimed at recovery salmon in the region. Copies of WSCFC's statements on each are available at www.wscfc.org. Click on the "Members" page and use wscfc as the username and xy700 as the password to access the information.

Co-op clips...

CoBank reports net income of \$121 million for 1999 – Denver (March 17, 2000) – CoBank today reported net income of \$121 million for 1999. The \$24-billion cooperative bank, which specializes in providing financing to agribusinesses and rural communications, energy and water systems, increased its assets and customer base in 1999. The growth came through a merger with another bank, acquisition of a majority share in a national leasing company, and increases in the bank's loan portfolio.

On July 1, 1999, CoBank merged with the Minnesota-based St. Paul Bank for Cooperatives, another bank in the Farm Credit System. "CoBank welcomed 600 new agribusinesses and rural utility customer-owners from the Upper Midwest as a result of the merger," reported Douglas D. Sims, chief executive officer of CoBank. "The merger realized the vision of the founders of CoBank – the unification of all 13 of the nation's original banks for Cooperatives." Through the merger, Sims added, former St. Paul Bank customers gained access to a wider range of financial services. In addition, the merger strengthened CoBank's long-term capacity to better serve all of our customer-owners well into the 21st century.

Also on July 1, CoBank acquired a majority interest in the Minneapolis-based Farm Credit Leasing Services Corp. (FCL). "With our 82 percent stake in one of the nation's largest agricultural leasing companies, FCL will contribute additional earnings to the bank's bottom line," Sims said. "CoBank can utilize the increasing tax benefits generated by FCL's leasing operations. At the same time, FCL can enhance its marketplace

effectiveness by reducing its funding costs and enhancing its product offerings, which now include a broad array of tax-based leasing products.”

Cooperatives to delay unification vote – (April 6, 2000) – The boards of directors of Farmland Industries and Cenex Harvest States Cooperatives announced today that they will delay a member vote to unite the two organizations. A vote had tentatively been slated for late this summer.

“Agriculture is experiencing a downturn far more severe than might have been predicted a year ago,” Cenex Harvest States Chairman Steven Burnet and Farmland Chairman Al Shivley said in a joint statement. “For that reason, we believe it is in the best interest of the member-owners of both co-ops to devote our efforts to maintaining stability in our joint ventures and in our individual business operations.”

The two leaders cited continued market and price volatility in key product areas like fertilizer and petroleum, along with ongoing low ag commodity prices, as factors in their decision.

Cenex Harvest States Board calls for immediate and long-term support for agriculture – St. Paul, Minn. (March 31, 2000) – Congress must undertake not only immediate efforts to address agriculture’s economic crisis, but longer-term steps to create a level global playing field for U.S. producers, the Cenex Harvest States Board of Directors told elected officials during recent visits to Capitol Hill.

“American agriculture faces numerous challenges today, with depressed markets and other economic issues the most pressing concerns,” says Cenex Harvest States Board Chairman Steven Burnet, a Moro, Ore., grain producer. “While our nation’s policymakers must address those immediate needs, it’s essential that long-term changes in trade policy and infrastructure needs are addressed. We must level the global playing field to allow producers to compete.”

Sixteen directors, all active farmers and ranchers, visited the offices of 95 members of Congress who represent the area served by Cenex Harvest States. They also participated in briefings with several farm, industry and cooperative trade organizations.

In their congressional visits, the Cenex Harvest States directors called for:

Passage of legislation limiting congressional ability to impose trade embargoes that penalize agriculture, approval of fast-track legislation and permanent normalization of trade with China, along with its admittance to the World Trade Organization.

Appropriate resources and leadership to create meaningful risk management tools, including crop insurance program and a pilot revenue program for livestock that meets the objectives of the USDA’s proposal, along with support for producers and their cooperatives through resources including loan guarantee programs.

Recognition of agriculture’s critical need for waterborne commerce, including lock and dam systems, and approval of at least \$4.7 million in funding for the Corps of Engineers’ civil works programs in fiscal 2001, with subsequent annual increases. The directors also called for congressional oversight hearings on proposals to breach Snake River dams and draw down the Columbia River.

Acknowledgement that strong cooperative systems – and their ability to join in member-approved business endeavors – are essential to the long-term survivability and security of U.S. producers, improved trade policies that strengthen farmers profitability and a thorough review, fact-finding and long-term policy development on the concentration issue.

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1999-2000 Officers

The Washington State Council of Farmer Cooperatives is a trade association representing agricultural cooperatives. The council's primary goals are to represent its members before the legislature and agencies of government and to provide cooperative education for its members.

Capital Notes is produced by the Council to inform its members about issues of interest to cooperatives.

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