



Midwest Food Processors Association 2007 Annual Report

Dear MWFPA Member:

In 2007 MWFPA focused on our mission – advocating for the food processing industry in the Midwest – while continuing to strengthen the infrastructure of the association.

Your willingness to participate in the public policy process was evident throughout the year and much appreciated. MWFPA members attended local town hall meetings; participated on legislative and agency advisory councils; visited with federal and state officials; and wrote hundreds of letters and emails to policy makers.

Participation wasn't limited to direct communications with public officials. MWFPA members attended association committee meetings and conference calls to lend their expertise and advice on a myriad of issues. This information is invaluable as staff represents the industry before state/federal agencies and legislatures.

Coordination between state, regional, and federal food processors was enhanced when MWFPA joined national and regional organizations to form a food processor grass roots network to share ideas and public policy information. In addition, growers and processors created a national coalition to advocate for fair food policy issues in Washington. There is little doubt that the voice of the food processing industry grew stronger in 2007.

Beyond public policy the MWFPA Board of Directors took steps to modernize the association by moving the offices from downtown Madison, WI, to a location near the Interstate and more accessible to the members. With the move came an upgrade of communications equipment and services that will enhance timely and sound communication between the association and members.

The association finances remain strong due to increased membership, profitable programs, and an eye on the bottom line. We continue to look for new ways to bring in revenue while adding valuable services to you.

2007 was a challenging year for the food processing industry. Food safety and security are the highest priority. Coupled with increased government regulations, higher energy costs, and a shortage of labor, there is no end to the challenges ahead. MWFPA is ready to assist in meeting those challenges.

Thank you for your support in 2007. As always your comments and questions are welcome.

Sincerely,

Nickolas C. George, Jr.
President

MIDWEST FOOD PROCESSOR ASSOCIATION 2007 BOARD OF DIRECTORS

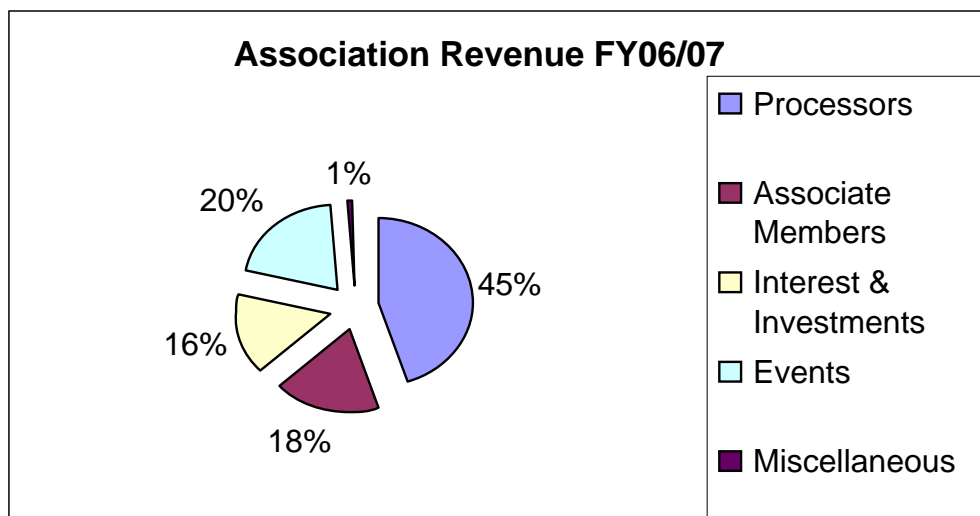
Chairman – Bob Goeres, Lodi Canning Company
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Joe Beckers, Allen Incorporated
Joe Breid, Bush Brothers & Company
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John Reimer, JAX/USA Lubricants
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MWFPA MISSION STATEMENT

To enhance and promote the business interests of the Midwest food processing industry, to be the foremost recognizable legislative voice in the three-state area espousing the objectives and concerns of the food/vegetable processing industry, involve members in association activities and promote activities which assure the safety, quality, and nutrition of our member's products.

MEMBERSHIP & FINANCES

Once again the association improved the net assets due to steady membership, profitable programs and lowered expenses. We added one new processor member while associate member numbers grew by about 5%. The 2006 Convention in Appleton, WI was a success as were all of the other revenue enhancing programs. While growing the membership remains a goal of the association, we continue to look for non-dues revenue sources. An accountant-reviewed copy of the 2006-07 financials is available through the association offices.



ADVOCACY

MWFPA lobbies on issues in Illinois, Minnesota, Wisconsin and Washington DC. As is often the case much of the time is spent defeating bills or monitoring legislation and rules. As we move into the second half of the session, we will continue to promote policies that keep the Midwest food processing industry strong and competitive. Below are a few of the issues addressed by MWFPA at the state and federal level in 2007.

Food Inspection Fees – In an effort to maintain food inspection programs, state agencies are increasing fees on food processors and food retailers. MWFPA opposes these increases and is participating on the advisory committees.

Buy Local, Buy American – Most states are promoting policies that favor purchase of locally grown and processed foods. In Wisconsin a MWFPA-supported initiative was signed into law that promotes local markets and sets goals for local food purchases. In Washington language was inserted in the farm bill that strengthens current Buy American laws.

Price Gouging – MWFPA joined other business groups in opposing rules that would fine businesses if it was determined that they charged too much for a product under certain circumstances.

MN Water Quality Pollutant Trading Advisory Committee – MWFPA is participating on the advisory committee charged with creating a Water Pollutant Trading system in Minnesota.

WI Producer Security Laws – Wisconsin's Producer Security Program is one of the largest and most expensive in the nation. MWFPA is working with other processor groups to streamline the program.

WI Thermal Discharge Rules – Many food processors in Wisconsin discharge treated wastewater to streams and rivers at high temperatures. Wisconsin DNR is changing current law and requiring higher reporting standards. MWFPA staff sits on the advisory committee and the MWFPA Environmental Committee is reviewing the rule draft.

Great Lakes Compact – Legislatures in the Great Lakes states must ratify the Governor's Great Lakes Compact, a policy that attempts to ensure that other states are not able to draw water from the Great Lakes basin. MWFPA has commented, with other industrial groups, regarding concerns with the compact and the industry's ability to operate within its parameters.

Spray Fields – MWFPA is coordinating the industry effort to maintain current spray field rules in Wisconsin that allow environmentally friendly and economically sound treatment of processed waste water.

MN Boiler Operator Legislation – MWFPA is monitoring advisory committee activities that will eventually result in legislation intended to address Minnesota's shortage of licensed boiler operators.

Food Safety – A safe food supply is in the best interest of our nation and the food industry. MWFPA supported increased funding for the US-FDA but opposed a "user fee" and other onerous measure contained in a variety of bills intended to increase the safety of imported foods.

Farm Flex – Legislation was introduced in Washington that eliminated current growing restrictions on fruits and vegetables grown for processing. MWFPA members lobbied extensively to put the language in the farm bill which currently contains a pilot program.

Equal Treatment of Processed Fruits and Vegetables – Americans need to increase total consumption of fruits and vegetables regardless of fresh or processed. MWFPA members led the effort in establishing a coalition dedicated to promoting the equality of processed F&V with that of fresh produce in government food programs.

Buy American – Current law requires local, state and federal governments to give preference to US grown and processed foods. That law is often ignored or simply not known. MWFPA joined a group of growers and processors supporting language that strengthens current law.

Captive Shipper – Food processors are often left with few options regarding product shipment, especially over long distances, and are held “captive” to demands from railroads. Outrageous and sudden price increases coupled with declining service compelled MWFPA to support legislation that eliminates current anti-trust exemptions for the railroads and promotes more competition.

Federal Immigration Reform – A shortage of labor is of primary concern to the industry that must be able to hire workers in a quick, safe and legal manner in order to compete globally. MWFPA supported measures that attempted to allow more legal immigrants to work in the US while protecting businesses that follow legal hiring practices.

EDUCATION

Continuing education is essential if an industry is to grow and thrive. MWFPA promotes continued education through seminars, conventions, reports, research, and scholarship awards.

Ag-Research – Agricultural research is essential to maintain a competitive crop advantage in the Midwest. MWFPA members funded \$60,000 in research through the universities and held a series of Raw Products meetings throughout the growing season in order to maximize crop quality and quantity.

Condensing Heat Recovery Systems - Recognizing that the food processing industry uses a large amount of steam to support its production operations, MWFPA worked with private and public groups to create a CD primer on condensing heat recovery systems which was sent to all MWFPA plant manager members.

Industry Trends – Over 30 speakers presented the latest in industry trends at the MWFPA Annual Convention. Topics included ingredient tracking, industry best practices, waste options, safety issues, immigration reform, and food sanitation to mention just a few.

Seminars & Conferences – MWFPA co-sponsored a safety conference and an environmental conference designed specifically for food processors.

Educational Scholarships – Six students of agriculture or food science were awarded \$1,500 scholarships from the association’s Carleton A. Friday and Kenneth G Weckel Scholarship Funds. The scholarships require that the students attend the University of Wisconsin and major in agriculture or food science.

Information – The monthly association newsletter, *The Bulletin*, is sent via email with the latest legislative, regulatory, technical and educational information. Specific information is sent to individual committee members.

Safety Program – Twenty-nine food processing plants in the Midwest constantly monitor safety protocol by competing for annual safety awards that are presented at the Annual Convention. The awards are based on OSHA data submitted monthly to the association by participating plants.