



March 26, 2007

## Ag markets more significant than previously believed, PMD survey reveals

PMD's 2007 member survey, conducted this past January, has provided important new insights into the markets served by PMD members and the factors that affect member costs of doing business. The

### Mark your calendar . . .

PMD's 2007 Annual Meeting will take place in Washington, D.C. on Friday, Sept. 7.

Look for more details later this spring.

survey also identified legislative and regulatory issues of common concern, determined what members perceive as the most important parts of the PMD value proposition, and suggested potential new activities PMD could undertake to enhance its value to members.

The survey was developed by Obadal, Filler, MacLeod & Klein, PLC with input from PMD Executive Committee members and conducted over a one-week period (Jan. 16 through Jan. 23, 2007) using SDI Weblink's online survey system. The official PMD Board representative from each member company was invited to participate in the survey through three e-mails sent over the course of the week requesting input. Ultimately, 12 PMD Board members

participated in the survey. Based upon the total sample size (12 respondents) and the total population of potential participants (15 PMD member companies), the survey margin of error is 13 percent.

Some of the major findings of the survey were as follows:

- Agricultural markets are of greater importance to PMD members than previously recognized. The survey suggest that animal feed is the most important pulverized calcium carbonate market and plastics the second. Agricultural applications and industrial applications (water treatment, stack gas scrubbing) tied for third place and paint, paper, caulks and sealants, and glass and ceramics tied for fourth.
- PMD members are heavily dependent on roads (even more so than on rail) to transport their products. Ninety-one percent report using roads and trucks to transport products, while 64 percent use rail, and 27 percent use ships and barges.
- PMD members identified high transportation costs/limited transportation capacity and excessive government regulation as the major challenges to their companies' continued success. Survey respondents perceive geopolitical instability and foreign economic competition as two of the greatest challenges facing the nation.

- Of all the various inputs into the manufacturing process, electricity prices have the single greatest impact on PMD member profitability. This confirms the findings of PMD's 2005 survey, which found an almost direct correlation between annual revenues and electricity usage (approximately one kilowatt hour of electricity consumed per dollar of revenue.)
- Rising health insurance costs have had a significant impact on PMD members and their employees, with all members reporting that they have had to reduce benefits or ask workers to shoulder more of the costs of health insurance in recent years.
- PMD members rank networking as the most important part of the PMD value proposition. At the same time, members recognize the potential value of PMD as a vehicle for collective political action, ranking public policy advocacy as the second most important aspect of the Division.
- Seventy-three percent of survey respondents said PMD should consider developing industry-specific regulatory compliance materials and 55 percent said that PMD should investigate the possibility of producing industry-specific training programs and legal guidance materials.
- On an individual basis, many PMD members have relationships with members of Congress that the Division should consider harnessing to achieve industry-wide policy objectives. Eighty percent of PMD members said that their companies had at some point hosted a visit from a federal elected official.

In the months ahead, PMD's Executive Committee and Board of Directors will use the survey data to refine the Division's priorities and plan future activities. To read the complete survey analysis and view the survey results, go to: <http://www.nssga.org/pmddivision/2007PMDSurveyReport.pdf>

## **Public policy issues take center stage at PMD Spring Meeting**

On February 27, PMD held its 2007 Spring Meeting in San Francisco in conjunction with the NSSGA Annual Meeting. In addition to networking opportunities, the meeting featured a variety of presentations on industry-specific topics including:

- A discussion about the use of automated drilling and blasting technology by Ed Svec and Dave True of the Austin Powder Company, and Bill Hissem of Sandvik Mining & Construction, LLC;
- An update on recent regulatory developments of consequence to PMD members by John Hayden and Becky Morris of NSSGA;
- An analysis of PMD's 2007 Member Survey by PMD Facilitator Christian Klein;
- An overview of opportunities for PMD members to get more involved in NSSGA activities by NSSGA's Tim Reagan;

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- An in-depth discussion about the public relations challenges with development near manufacturing facilities by senior staff from the Saint Consulting Group, a leading firm focusing on the politics of real estate development;
- An overview of water rights issues by Harry Seely of West Water Research, LLC; and
- An update on recent political and legislative developments by NSSGA Vice President of Government Affairs Pam Whitted and PMD Facilitator Christian Klein, both of whom are registered lobbyists.

Public policy issues received considerable attention at the meeting. Attendees heard from NSSGA President Joy Wilson, who discussed the leadership role that NSSGA is playing in efforts to ensure adequate federal investment in roads and bridges and pointed to the recent PMD member survey as evidence of the important stake that PMD members have in the outcome of the next highway reauthorization.

Members also expressed considerable interest in the Employee Free Choice (H.R. 800), which is working its way through Congress. The legislation, which was introduced by Rep. George Miller (D-CA) would eliminate the right to secret ballots in union organizing elections and increase penalties on companies perceived to be interfering with union activities. PMD members expressed concerns that legislation would open the door to more union intimidation in the organizing process. H.R. 800 passed the House on March 1 by a vote of 241 to 185; however, the legislation's future in the Senate is uncertain given the narrow Democratic margin of control and the president has promised to veto it if it reaches his desk. To read the most recent NSSGA e-Digest and Washington Watch story on the issue, go to: <http://www.naylornetwork.com/NSA-NWL/absolutenm/templates/nsa.aspx?articleid=2714&zoneid=41>.

The meeting concluded with a networking reception sponsored by Oldcastle Industrial Minerals, Oglebay Norton Company, Columbia River Carbonates, Imerys Performance Minerals, and J.M. Huber.

Planning is currently underway for PMD's 2007 Annual Meeting, which will take place at NSSGA's headquarters in Alexandria, Virginia on Sept. 7. If you have suggestions for topics you would like to see on the next meeting agenda, please let us know.