

Pricey propane puts Minnesota on edge



Rick Klaphake, co-owner of Klaphake Feed Mill, Melrose, needs multiple loads of propane every month to heat the 11 turkey farms he operates. The price is five times what it was last year, Klaphake said, and if he runs out of propane, his turkeys will die. KIMM ANDERSON, KANDERSON@STCLOUDTIMES.COM

Cold outlook worries farmers, residents

By Stephanie Dickrell
sdickrell@stcloudtimes.com

A frigid winter and a bumper corn crop have combined this month to create a propane shortage — a problem for farmers and residents alike.

The short supply caused the price for propane to almost double in a week. People with homes to heat are facing high prices and short supplies. Farmers, including Central Minnesota turkey growers, are facing the threat of death for young turkeys in unheated barns.

“There are always things that come up, but propane is a new issue for us to deal with,” said Steve



MORE INSIDE

Crisis hits across U.S.; Minnesota set to get \$15.8 million from feds. **PAGE 4B.**

MORE ONLINE

Watch video of Gov. Dayton talk about the emergency at www.sctimes.com.

Olson, executive director of the Chicken and Egg Association of Minnesota and the Minnesota Turkey Growers Association.

The winter that came fast and hard this year followed a fall that saw a bumper crop of wet corn. That required farmers and elevators to use corn dryers, many of which run on propane — a big draw on supplies. The quick winter arrival meant suppliers weren't able

BY THE NUMBERS

» An estimated **250,000** homes, businesses, and farming operations in Minnesota use propane.

» Minnesota is one of **25** states nationwide that have issued an emergency declaration or executive order pertaining to the issue of propane delivery and transportation.

» The State Emergency Operations Center public hotline fielded more than **80** calls from Minnesotans concerned about propane by midafternoon on its first day of operation Thursday.

» Since October, some users have seen the price of propane increase from an average of \$1.67 per gallon to prices as high as **\$6.67** per gallon.

Sources: Sen. Al Franken, Minnesota Department of Public Safety

Propane

From Page 1A

birds won't survive," he said. "We need the propane to keep them alive and to keep them healthy."

Klaphake has several barns in the Melrose area. In an average winter, the barns go through three loads of propane a week, or about 30,000 gallons. But this has been no average winter, meaning the amount has been higher.

Klaphake said he hasn't heard yet of any farmers losing birds, but some may be postponing getting new birds from hatcheries. He said he's been getting propane by truck from Texas — but that takes four days to get a load, and that's not fast enough. He has also checked into getting propane by rail, but that can take a couple weeks to get lined up.

His last load came Sunday, and he paid \$5 a gallon for it. He doesn't expect another until next week.

"A year ago, even six months ago, it was \$1.20 a gallon. A couple weeks ago it was \$1.60 a gallon. ... It's just gone wild. It's not in the budget," he said.

Running out?

While price is a problem and could affect the price consumers pay for turkey down the line, turkey growers are worried there won't be any propane at all.

"The bigger concern ... what if we run out of propane? What about the livestock?" he said.

"It has an economic impact on some of these guys, especially the small-

IF YOU'RE IN NEED

Gov. Mark Dayton established a propane hotline for Minnesotans with questions. It operates 9 a.m. to 4:30 p.m. Monday through Friday at 651-297-1304 or 1-800-657-3504.

» Minnesotans can call over concerns about the price and availability of propane from their suppliers. Some callers may be seeking help finding resources. Operators may help callers connect with community resources including not-for-profit organizations if they didn't qualify for low-income heating assistance.

Olson and his staff have been looking for solutions for some of its hundreds of chicken, egg and turkey growers who use propane to heat their barns.

Some suppliers are rationing what they have to make sure everyone gets at least some fuel. Dayton said there were some things he could do on his end, like working with other governors to continue easing restrictions for truck drivers, but there are no quick fixes.

"We need consumers to exercise their best conservation," he said. "Suppliers are doing what they can, but it's going to be tight for a while."

Olson said members started hearing from suppliers earlier this month that a shortage was likely if the weather remained so

the Bakken fields in North Dakota, Montana, Wyoming and some from Canada.

Help from the state

The Minnesota congressional delegation has asked President Barack Obama to restrict or stop exports of propane. There is also more funding earmarked for people who need help with heating costs.

On Thursday, Dayton established a propane hotline for Minnesotans with questions.

He plans to convene an emergency meeting of the Executive Council on Friday to consider extending the peacetime emergency executive order he issued Monday.

A peacetime emergency order initially cannot last longer than five days, but it may be extended by the Executive Council for up to 30 days.

The order declared a state of emergency because of a severe shortage of propane and other home heating fuels statewide.

It calls on the state Division of Homeland Security and Emergency Management to activate the Minnesota Emergency Operations Plan.

State agencies are directed to help local governments respond to and recover from the emergency.

Minnesota's adjutant general also will be able to order military forces to active duty to provide

emergency relief.

Dayton has instructed Minnesota's commerce commissioner to help guard against price gouging. Grants for emergency energy assistance have been raised.

Dona Ramler, energy program manager for Tri-CAP, said about 20 percent of the agency's clients use propane.

"We're seeing they can't get as much fuel (in a delivery) because the price is so high," she said. In her many years with organization, she said she hasn't seen a problem with propane prices.

"The governor stepping in, that should help," she said.

Changing times

As for the future, fluctuating propane prices could convince some farmers to convert to natural gas. Some have already gone that route.

"I think over the last few years, more and more guys are looking at doing that," Klaphake said.

The shortage has made Klaphake ask some questions about how he'll operate, whether that be looking into natural gas or considering reducing the number of birds they have in the winter. He said his farms employ 26 employees, a number that could change if bird numbers change.

"It affects a lot of people. ... It's got us thinking ... how to keep these animals alive," he said. "I'm not sleeping at night."