

All Points ordeal nearly over

Written by Elizabeth Barrett

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Grain elevator rebuilds from ashes.

All Points Cooperative had just completed a \$6 million expansion project when an explosion rocked the grain-handling business in November of 2008.

This month finds All Points grain handling vice president Steve Costello crossing his fingers that reconstruction will soon be over.

“It’s been a long ordeal,” Costello said, noting that the addition of three new bins, a dryer and renovation of grain-handling equipment—combined with explosion repair—has taken more than three years.

On a spring-like day last week, welders atop the main elevator smiled in the afternoon sun. Below, a fresh coat of paint inside the silo—where producers unload grain from trucks—brightened walls that once were dingy.

Costello is optimistic that reconstruction, which has cost an additional \$7 million, will be done in May—about two months later than earlier predictions.

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In a nutshell, the head house in the main elevator—that moved grain to the top of the structure—was not rebuilt.



Instead, two legs were installed which contain a grain cleaner and distributor equipped with a computer to direct grain to bins.

Another distribution leg was built outside the main elevator to carry grain from a dump pit so the elevator can receive harvested wheat in July.

Roofs on silos to the west of the main elevator will be recoated this summer.

Weather during reconstruction slowed work considerably.

“Anytime the wind blew, we had crane problems,” he said. “It’s also difficult to weld in snow and wind.”

In terms of business, Costello estimates that about \$9 million in equipment was lost or damaged. Grain loss is difficult to figure, he noted, since corn in the main elevator burned and grain stored in the west-end silos was turned over to the insurance company which sold it.

“It’s been a significant loss in business,” he said.

In addition, Costello said the elevator has lost a substantial amount of income from drying corn because of its inability to handle normal volumes.

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With more wet corn than he can remember during a harvest season and only one of three working distribution legs, the elevator lacked the speed to remove corn from silos and into the dryer.

Costello said the elevator could only dry about 50,000 bushels a day compared to about 150,000 bushels daily during more normal harvests.

“With one leg, we can only do one thing at a time,” he said.

Once bins are filled, the distribution leg is then programmed to take corn to the dryer.

However when the other two legs and a new fourth are operational, Costello said All Points “will be the fastest on the block” compared to nearby competition.

The grain handler applauds the patience of both farmers and Union Pacific Railroad the last year and a half after the explosion.

During the last fiscal year—from October 2008 to October 2009—420 different producers sold grain to the elevator.

“It was difficult for farmers to deliver their corn and inconvenient because of our limited leg capacity,” he said. “Union Pacific was helpful getting cars in and out and tolerant because we couldn’t load as fast.”

Normally, Costello said it takes 12 hours to load a 100-car train compared to four days with one operational leg.

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Farmers are still bringing in wet corn that is being stored in the elevator's three steel bins to the east of the main elevator in which the explosion occurred.

"I've never seen that this late before and it's still at 20% to 21% moisture," Costello said. "By the end of the summer, we're going to see some bad corn."

Without the new steel bins, which were not damaged during the explosion, and a working distribution leg, Costello said the elevator would have faced much bigger challenges.

In addition, he said the price of shipping grain by truck in the months after the explosion—which was easier for the elevator to do—was also more favorable than rail costs.

This year, Costello said rail costs are better.

Despite the challenges, he said volume and profitability from the 2009 harvest have been much better than what All Points officials expected.

With shining, new distribution equipment towering behind Costello on the top of the main elevator, he looked out over Gothenburg to fields on the horizon where farmers were readying fields for planting.

"I'm glad we're almost done."

ebarrett@gothenburgtimes.com 308-537-3636