

Agri ZFS Source

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A four-generation climb upward

❑ After doubling in 2001, Bradford Dairy has settled into a path of steady growth

By GARY BROWER
Zeeland Farm Services, Inc.

Slow, steady growth had long been the way of doing business at Bradford Dairy Farm in Sparta.

Through three generations, the dairy had been slowly built from a small family farm into a good-sized commercial herd. Then along came Jason Bradford, the fourth generation leader of the farm, and the operation took a giant leap forward almost overnight.

In 2001, still in his early 20s and fresh off a stint in the agribusiness management program at Michigan State University, Jason got the blessing of his mother/partner, Linda Anderson to expand the operation. The dairy built a state of the art milking parlor that more than doubled its production capabilities and added a commodities building, an up-to-date manure management system, maternity pens and loafing barns. The herd grew from 600 head to about 1,200 in a very short time.

“We doubled the herd over a year or two. We used to use two milking parlors, so we basically had double the labor to



ZFS photo by Gary Brower

BUILDING A FUTURE: Jason and Brenda Bradford are raising four young children along with 1,500 head of cattle at their family dairy operation in Sparta.

milk the cows, so we didn’t have to hire very many people after we expanded,” Jason said. “It did take us a lot to update our manure system and our equipment, and feed space was a huge thing. We had to add a commodities building.”

It was a bold move for a young entrepreneur fresh out of college, but since doubling the herd 13 years ago, Bradford

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Bradford Dairy Farms

Owners: Jason and Brenda Bradford and Linda Anderson
Location: Sparta, Mich.
Type of farm: Dairy herd and cash crops
Employees: 20 full-time

Commodity prices, like the weather, are cyclical



❑ The key is to position yourself for success once things turn in your favor

Well, summer arrived late and now it’s gone. And what a strange summer it was.

When I wrote this, I was up in Northern Michigan with the heat on every night as the overnight temperatures dipped into the low 50s, while the daytime temps were in the high 60s or low 70s.

It reminds me of the 1970s all over again. Back then we had some cold winters, with the three-year stretch of 1975 through 1978 being the coldest I can remember. Back then, we also had some cold summers ... well below average, for sure.

People were up in arms about the cold weather and they were certain we were heading toward another Ice Age. They were probably the same type of people as those who are now talking about global warming. Or is it called climate change these days?

Does history really repeat itself?

Cliff’s Notes

Cliff Meeuwssen is president of Zeeland Farm Services, Inc.

Something else reminds me of the ’70s. We had extremely volatile markets back then. The Great Grain Robbery conducted by the Russians in 1972 – made possible by a cheap dollar – left us with very little wheat and corn in the U.S.

That was followed by three years of poor harvests, which drove commodity prices through the roof. Corn rose to \$5 to \$6 a bushel and soybeans were driven to \$9 or \$10 a bushel, three times what they normally were.

Think of this, there was no ethanol to blame back then. Just poor harvests and big export demand. Percentage-wise, it was a bigger increase than we have witnessed the last few years, when we had corn at \$8 and beans at \$17. The high prices of the ’70s were followed by the crash of

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Feed Ingredient Options

Markets react as China pulls back on U.S. imports

When China pulled back on contracts importing from the United States protein products such as dried distillers, gluten and more, it demonstrated how much an impact that country can have on feed commodities.

The reduction created an abundance of feed that saw some commodity prices drop in excess of \$70 per ton. With seemingly good crops of soybeans and corn on their way, all co-products should remain closer to "average" in comparison to corn and beans. The anomaly from this past year or two seems not to be the case this year. Many production plants are not that quick to put out numbers going beyond a few months. However, some are always willing to take a look at bids.

The Pacific Rim countries and India may or may not impact futures prices. The age-old supply and demand economics of domestic markets may be impacted the most by what milk prices do in the future months.

Over the past few years we have seen the inequality between export and domestic prices. This trend has had little influence on daily trading nearby. As long as the demand stays strong and business is being done at the current price, it's irrelevant what the potential impact is until it becomes a reality.

Some producers are sitting back and waiting to book, while others are taking a look at layering in their purchases and not booking large blocks of feed. There seems to be some optimism about milk prices, yet pessimism over the strength of milk prices. At this point, it seems that we are looking at a rather balanced market and it is uncertain what will change this pattern.

Canola Meal

The canola markets remain favorable in comparison to soybean meal. Strong basis with good milk prices make for favorable mid-protein prices. For those who have basis contracts, we want to remind you that we roll all unpriced contracts to the following futures month on first notice day of the front futures month. This roll creates a new contract basis versus that forward month. If you have questions about how this works, please give us a call and we can walk you through the process.

Cottonseed

Both new crop and old crop cottonseed have slid recently due to favorable weather and increased planting acreages. The impact of export sales could have more of an influence on these prices. We are willing to contract with numerous truck options, including vans, hoppers and live floors, with pricing available through September, 2015.

Corn Gluten Feed

Corn gluten supplies are readily available in



both pellets and wet forms. With recent prices falling, this staple product will make a good corn extender with highly digestible fiber, while low in starch and fat. With such favorable summer weather, the wet gluten has been a good addition to bringing moisture into the ration.

Hull pellets and malt sprout pellets have recently fallen in price and inventories are staying strong. There seems to be some good values for October through March.

Distillers Grains

Corn distillers have fallen and are trading at a discount to corn in most regions. Again, the influence of export markets seems to be the biggest factor in determining where distillers grains are heading for new crop. Once again, most sellers aren't showing forward prices beyond the nearby months. The ones who are seem to be at a premium to their local corn basis. Distillers is trading at a large discount to other products on a per protein point basis.

Sugar Beets & Beet Pulp

With sugar beets this year planted in wet conditions three and four times, harvest is going to be at the end of September. The Michigan crop has caught up on growth progress, but Minnesota is struggling with too much moisture, which could be hurting that region's crop.

Wet pulp offers are out in Michigan for product beginning at the end of September, but pellet offers are being held back due to Minnesota's crop uncertainty. There are some old crop beet pulp

pellets still available in Michigan, if you have some needs let us know.

Citrus Pulp Pellets

Citrus pulp pellet offers seem to be holding strong with the crop processing completed in June. California's drought has put some pressure on supplies. Citrus pulp pellets are available through November shipment if you have an interest. New crop offers, beginning January 2015 shipment, are available at a \$40 discount to this year, with more upside potential. Citrus production continues to suffer due to a disease in the fruit trees in Florida.

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CLIFF: Patience and persistence important to surviving cycle of low market prices

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the 1980s. I remember paying \$1.60 for corn following a couple of good harvests and a stronger dollar.

Just like 40 years ago, the high prices of just a few years ago are long gone. Now we have a good harvest growing, not even in the bins yet, and we are seeing \$4 corn and \$10 beans. Who knows how low they can go if we actually have a couple

of good harvests back-to-back?

But, as we have seen with the weather and now the grain markets, history does repeat itself. In the end, it is, and will continue to be, a large cycle. It is something folks in the agriculture industry need to prepare for as much as we can.

The rule of the day is business longevity. To succeed, lock in profits when you can, spread your business into areas that can cut costs, raise revenues and cut risk. Of course, the best time to do that is when your business is doing well.

But starting now is better than not starting at all. We need to survive until the next cycle, so look for opportunities. They will be there.

From my family to your family, thank you for your business. We will try to earn it every day. Have a great harvest, and remember we will survive this cold weather just like we survived it last time.

P.S. The American farmer is extremely efficient and effective, thus they never met a product they couldn't overproduce. Just a thought we should never forget.

BRADFORD: Family-run dairy has seen slow, steady growth for four generations

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Dairy has returned to its history of steady, measured growth. The herd has increased by about 300 over the past decade and the dairy now milks about 1,500 cows. Jason said the farm has 20 full-time employees.

The Bradfords have been farming the same piece of land since the 1920s, when the family settled on a parcel just north of Sparta. Jason remembers hanging around the farm as a very young boy when his grandfather, Norm, and father, Jim were running the operation. He wasn't especially drawn to farming, though he did enjoy the cows and the farm implements.

"I don't think there was anything endearing about it at that age. It was just something that our family did," Jason said. "I think I would usually help out with calf chores and ride on the equipment when we did the crops. I guess, when I started driving was when I was able to help in the summers a lot more."

Jason had no idea how valuable his help would become in the next year or so. He was 16 when his father died of cancer, leaving the farm in the hands of Linda, who was faced with some tough decisions.

For a short time, the Bradfords considered closing the dairy and focusing their attention on the cash crop operation. But Linda opted to continue milking and relied on the expertise of some dedicated managers to guide the business through a very tenuous time.

"My mom had to decide whether to sell the cows and continue cash cropping and maybe wait for me to get out of high school. But we decided to keep the animals on the farm and keep doing what we were doing," Jason said. "My mom was always involved in the operation and she, alongside a couple of farm managers, kept the farm going."

Jason graduated from Sparta High School and moved on to Michigan State. He went there not necessarily to get a degree, but to get an education, and after three years in school he felt that it was time to return to the farm to help his mother out full-time.

"It was just hard to stay away for that long," Jason said. "We had several employees that you could really say kind of mentored me and showed me what they knew on the farm. Our herd manager was one



ZFS photo by Gary Brower

MILKING TIME: Workers at Bradford Dairy in Sparta prepare cows for milking. The dairy, now under its fourth generation of family leadership, milks about 1,500 cows and raises 3,000 acres of crops.

of them and we had a crop manager that helped me, as well."

And he's been learning on the job for about 15 years. Today, Jason oversees an operation that raises about 3,000 acres of crops and has built a reputation as a dependable member of Dairy Farmers of America (DFA).

While the bottom line is always a concern, Jason said money is not always the overriding factor when decisions are made around the farm. For example, while many milk producers have switched to canola meal as a protein source, Bradford Farms has remained loyal to soybean meal, even though it costs a little more right now.

"I'm a big soybean meal user, as well as cotton seed and hominy," he said. "We know everything we feed the cows is going to come out the other end, so I prefer to stick with soybean meal because of the phosphorous content of canola."

Jason has long had an interest in environmentally-friendly and sustainable farming. That is why he spent so much money to update the manure system

when the dairy was expanded, and it's why much of Bradford Farms is illuminated with LED bulbs instead of incandescent lights.

"It was expensive to do at the beginning, but it does save you a lot of money over the long run," he said of the LED bulbs. "You use less than half of the energy of the bulbs they are replacing."

The Bradfords are also active in preserving the farmland in Kent County, and over the past few years have pledged — through the Kent County Purchase of Development Rights Program — that almost 200 acres of the family farm will remain undeveloped into the foreseeable future.

"When the economy was booming, farmland was kind of being paved over at a rapid rate and we assumed it would only be a matter of time until urban sprawl kind of encroached upon us," Jason said. "PDR is a very good tool to use to put a plan together to determine where farming is going to be and where development will be. Preserving the land and getting some development money to the farmer allows that land to stay in farming."

Cutting losses is an effective way to increase yield

BY MIKE STATON
MSU Extension Educator

Reducing harvest losses is a simple and effective way to increase soybean yield and profitability.

Careful equipment maintenance and operation can keep harvest losses at or below 3 percent. Surveys conducted in Ohio and Arkansas found that actual harvest losses averaged around 1.5 bushels per acre. Other surveys found that harvest losses of 6 percent (3 bushels per acre) were common.

According to Michigan State University Extension, reducing harvest losses by just one bushel per acre will produce more than \$11 per acre of additional income this year.

Harvest timing

Properly timing your harvest operations is critical to reducing harvest losses. Harvest operations can begin anytime after the beans have initially dried to 14 to 15 percent moisture. Under good drying conditions, this will occur five to 10 days after 95 percent of the pods have reached their mature color. To reduce shatter losses,

split seed and cracked seed coats, try to harvest as much of your crop as possible before the moisture level falls below 11 percent. Shatter losses also increase significantly when mature beans undergo multiple wetting and drying cycles.

Equipment maintenance

Before harvest operations begin, inspect and repair the cutting parts on the combine head. Make sure that all knife sections are sharp and tight. Check the hold-down clips to ensure that they hold the knives within 1/32 inch of the guards. Adjust the wear plates to the point that they lightly touch the backs of the knives.

Equipment adjustment

Information from the University of Arkansas shows that a skilled combine operator, one who understands how losses happen and how to reduce them, can achieve significantly lower harvest losses than an inexperienced operator or one who is trying to hurry or cut corners.

Nearly 80 percent of harvest losses occur while cutting and gathering the

plants into the combine. Most of these result from shattered pods dropping beans on the ground. The following recommendations will reduce gathering losses:

- Operate the combine at a slight angle (about 20 degrees) to the rows. This is especially beneficial with wide rows or plants with tough stems.
- Maintain ground speed at 3 mph or less. Higher speeds are reported to be possible when using draper heads, when an air system is added to the head, when using 1-1/2-inch knife sections or when the field was rolled. Pods stripped from the stalks and uneven stubble are signs that the travel speed is too high.
- Set the speed of the reel to run 10 to 25 percent faster than the ground speed. For a reel with a diameter of 42 inches (most reels), this is nine to 10 revolutions per minute for each mile per hour of ground speed.
- If the beans are lodged, gradually increase the reel speed to a maximum of 50 percent faster than the ground speed (12 rpm/mph).
- Position the reel axle 6 to 12 inches ahead of the cutter bar. In most condi-

tions, the reel should be positioned as close to the auger as possible to promote even feeding. If the beans are lodged, move the reel forward to pick up the plants. Ideally, the reel should leave the beans just as they are being cut.

- Set the height of the reel just low enough to control the beans (generally the top one-third of the plants). In lodged conditions, operate the reel as low as necessary to pick up the plants. Raise the reel if cut plants ride over the reel.

- Measure gathering losses after each adjustment to determine your progress.

Information on measuring soybean harvest losses is available from Michigan State University Extension at http://msue.anr.msu.edu/news/measuring_soybean_harvest_losses and from the Michigan Soybean Checkoff at <http://www.michigansoybean.org/MSPCSite/GrowerResources/FactSheets/ReducingSoybeanHarvestLosses.pdf>

Mike Staton is a Michigan State University Extension educator. He can be contacted at staton@msu.edu.

Consistency a hallmark of ZFSelect soybean seeds

Consistency is a word we hear a lot these days in agriculture.

Everyone wants to be on the same page with consistently higher yields, using the latest new products and technologies for planting, harvesting and collecting yield information to make better management purchasing decisions.

The ZFSelect Bean Team working with growers who raise our Identity Preserved soybeans reflects the consistent direction the IP program has taken over the past several years while serving our international customers and developing domestic markets.

Our customers, as growers of the IP beans, and ZFS, as the processor of the IP beans, are working hand-in-hand to supply a product of consistent high quality that meets the customers' needs. ZFS values the IP growers and their consistent hard work bringing quality products into the market for processing.

The Bean Team continues to explore new products that will meet the daily and future needs of our expanding customer base, and at the Ag Expo in July

Seed update

introduced 1420 LS, a low sat soybean variety with a maturity of 2.0 to 2.2. Limited seed will be available for the 2015 crop year.

Check the ZFS website for updated plot results for 2014.

In June, Jeff Pung joined the ZFSelect Seed Bean Team as a seed salesman. Jeff comes to ZFS from the family dairy in Westphalia and brings more than 20 years of ag experience. At the dairy, Jeff was responsible for seed, fertilizer and chemical agronomy.

While working full time, Jeff completed a dual bachelor's degree in agribusiness and food industry management from Michigan State University in 2008. To further his agronomy knowledge, Jeff is in the process of completing the International and State Certified Crop Adviser (CCA) program.



The Bean Team

Dan Bailey, CCA 616.437.3961
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Transportation and road construction seasons run together

Detours and delays part of moving freight in the summer in Michigan

The summer was busy for the Transportation Division. Some of the seasonal products like landscape materials, mulch, fertilizer, etc. seemed to drag out longer than normal this year. We suspect that was due to a lack of capacity and products simply took longer to get moved.

Many transportation experts are claiming that there is a huge freight capacity crunch right around the corner. ZFS plans to continue growing to meet our customers' needs but like most companies, we are more cautious than ever when it comes to adding equipment. Because hiring drivers has proven to be extremely difficult, companies want to be sure they have both the work and the drivers before purchasing additional equipment. Aligning the timing of all of these things is never easy, which tends to slow growth.

Although we enjoy summer here in Michigan, there are always challenges that go along with it. For our drivers, there are delays due to construction and additional traffic. It's hard to go anywhere without some sort of detour or slowdown this time of year.

Freight update

For our dispatchers, the challenge was moving all the necessary loads while being short-staffed due to the many vacations. This created some internal capacity issues throughout the company and is something we just had to make it through to allow for the many well-deserved vacations.

We are anticipating a busy fall and plan to be properly staffed to keep up with the demand. Please give us a call and let us quote any bulk freight you may be looking to move.

ZFS is hiring both full- and part-time drivers. Although most of our driving jobs are considered over the road, our drivers are often home during the week and every weekend. ZFS drivers earn an average of 50 cents per mile and spend very little time waiting. We also offer an excellent benefit package, electronic logs, good equipment and on-site maintenance. Applications can be found online or at either the ZFS transportation or administration office.

As always, we would like to remind everyone that ZFS has a full-service maintenance shop that is

open 24 hours a day, Sunday night through Friday night. On top of maintaining our own fleet, we offer competitive rates and quality service on medium- to heavy-duty equipment. Oil changes, computer diagnostics, all types of welding, brakes, air conditioning and hydraulics are a few of the services ZFS can provide. Please call Chris L. for an estimate.

The ZFS wash bay is open from 7 a.m. to 10 p.m. Monday through Friday and until noon on Saturday. Stop in and check it out or call Travis to schedule a wash.

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Strong crop outlook, lower export demand, push prices down

As we move through September and the corn and soybean crops appear to be at least few weeks late, the thought on everyone's mind remains weather. Michigan appears to vary from county to county regarding this year's crop, with some growers confident of a bumper crop and others questioning their production.

Either way, something the State of Michigan has lacked once again is heat units. Delayed planting and a cool summer have farmers wondering how high their drying bills might be in the months ahead.

That being said, corn prices continue on a downward spiral, constantly testing and making new lows. Harvest is underway in Southern Corn Belt states and dryland acres are showing promising yields in comparison to previous years, which will greatly affect supply.

China has reduced imports on U.S. corn and DDGS and that does not paint a very bullish picture for new

Market report

crop bushels. Local basis levels continue to improve for old crop and growers should tread lightly when waiting on the futures value to improve as cheap new crop bushels and basis levels are just around the corner. Contact a ZFS merchandiser on how basis contracts can help limit risk on your old crop bushels.

Volatile might be an understatement when discussing any soybean prices for both new and old crop. Export demand appears to be slow and many traders are anxiously wondering what the Chinese demand might be for the 14/15 growing year. Many are anxiously waiting to see how the Argentina currency issue will be resolved and how that will affect the demand for South American beans.

The corn/soybean futures ratio has skyrocketed to 2.95/1; its highest point



so far in 2014. Growers should take a hard look at their profit margins as beans begin to drop leaves and hedge accordingly. Early harvest premiums are being offered. Contact a ZFS merchandiser as these change quickly as harvest progresses.

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