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A driving force

☐ Smiths' Turkey Farms a leader in the poultry industry and on the pulling track

BY GARY BROWER
Zeeland Farm Services, Inc.®

As a farm boy, Larry Smith was drawn to the sights, sounds and smells of local tractor pulls.

Time and again, he begged his father, Smiths' Turkey Farms founder Henry Smith, to let him enter one of the family tractors into an event at an area fair or festival. The answer was always the same. The tractors were too vital to the day-to-day operation of the farm, Henry said, to risk damaging one in a pull in which the reward was minimal, even for the winner.

So Larry remained on the sidelines as a spectator until the mid-'70s, when he discovered truck pulling and went to work on his father one more time.

"He talked grandpa into converting an old truck and then he went to the junk yard for an old motor," said Jeff Smith, Larry's son and one of four owners of Smiths' Turkey Farms.

As soon as Larry got behind the wheel of the old Chevy and in front of the sled full of weights, he was hooked.



ZFS photo by Gary Brower

TALKING TURKEY: Smiths' Turkey Farms has been a family-run business in southwestern Michigan since the mid-1950s. Today the company is owned by the father and son teams of Larry and Jeff Smith (far right and second from left) and Mark and Travis Buus (far left and second from right).

And his family came along for the ride. The Smiths have been pulling trucks for nearly four decades, and today form one of the most successful teams in the Lucas Oil Pro Pulling League (PPL), the top pulling circuit east of the Mississippi River. Larry and Jeff both drive in the Pro-Modified Four Wheel Drive Truck division. Larry, behind the

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Smiths' Turkey Farms

Owners: Larry and Jeff Smith; Mark and Travis Buus

Location: Holland, Mich.

Type of farm: Turkey producer

Employees: 14 full-time

ZFS customer since: Early '70s

Ethanol fighting uphill public relations battle



Stock photo

HOT TOPIC: The dialogue about ethanol as an alternative fuel has gotten even more heated over the summer months as dry conditions over much of the country drove the price of corn to a record high in August.

☐ Renewable fuel taking shots from big oil, politicians

Somehow, ethanol has become a dirty word for some, and I'm not sure why. How did the cleanest burning, highest quality, cheapest form of liquid renewable fuel ever get to be such a punching bag for politicians, the oil industry, the food industry and many others?

Maybe we should look at ethanol's history for some keys.

Henry Ford's first automobile, the quadricycle, was designed to run on pure ethanol. The first Ford Model Ts, which came out in 1908, were also designed to run on ethanol.

Back then, the technology to mass produce ethanol was expensive, and its feed stock was not widely available. It wasn't long before oil, which was readily available and relatively cheap to extract, quickly displaced ethanol as the primary source of fuel in the United States.

At that time, few cared about the fact that oil was a very dirty fuel that

Cliff's Notes

Cliff Meeuwse is president of Zeeland Farm Services, Inc.

polluted the air and the water. All anyone cared about was that it was cheap.

How things have changed. Oil is now very expensive to drill for, and the United States imports about 60 percent of its oil, sending our money and jobs out of the country. Oil is also a finite resource and by far the dirtiest fuel we use, creating more than 80 percent of the air pollution in this country.

In contrast, the cost of making ethanol has steadily decreased over the years as new technology has lowered production costs by 25 percent while increasing the quality of the product. In addition, farmers and scientists have been able to increase corn yields from 100 bushels per acre in the '70s

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Feed Ingredient Options

Corn, soybean prices make other rations attractive

Cottonseed

Whole fuzzy cottonseed remains somewhat sideways, with not a lot of movement on old crop or new crop. Cottonseed oil crushers haven't come back into the market as of late. However, if they do come back into play, prices are likely to rise. With the nutritional value cottonseed brings, prices are at a premium compared to soybean meal and other fiber sources.

The cotton crop so far is in pretty good shape, with the south receiving good moisture levels throughout the growing season. We look for this crop to be larger than last year on a reduced number of acres. Of course, this was written before Hurricane Isaac decided where to come ashore.

Old crop delinted cottonseed is readily available in this market, with a product that flows well in mills and can be purchased at a discount to whole fuzzy cottonseed. Delinted cottonseed contains a little more protein and fat and a bit less fiber, but it is not as noticeable in the diets.

The big advantage of the product is that it can be hauled in hopper trucks and flows well in and out of bins.

Soy Hulls

As a popular fiber substitute, soy hulls have been in hot demand over last two months. However, as harvest nears, processing plant maintenance is on the schedule for September, leaving the inventories tight until October. Offers seem to be sketchy through mid-September, keeping prices steady around the \$290 to \$300 fob. Forecasted new crop offers are down a little, but should firm up after harvest rush.

Canola Meal

Due to a steep inverse, canola has gotten very cheap versus soybean meal. Values vary by area, but cash-to-cash prices have gotten out of whack in the short term, and canola can be booked for as much as a \$150 discount to cash bean meal delivered to the farm for October, November and December. Look for this spread to nar-

row as we get closer to soybean harvest and supply questions are answered.

Beet Pulp

Once again, its beet pulp harvest time, and this crop figures to be strong with plenty of moisture in the thumb area of Michigan and in Minnesota, compared to last year's worst crop on record across the United States.

There are good pellet offers out and it seems to be a good fit for those looking for fiber and sugar sources.

Distillers Grains

The availability of dry distillers grain (DDGS) has been limited due to several plants shutting down or running at slower rates. The price of DDGS has remained at 95 percent the value of corn. Spot sales are at the \$295 to \$305 per ton level and new crop prices are not only uncertain, but what is available is near that level.

Most plants will not show a forward figure or a new crop figure, as the ethanol markets have been up and down. Modified distillers ranges in the \$150

to \$165 level for the 50 percent DM product.

Wet distillers has been made to order in most facilities. It is normally priced higher compared to DDGS on a dry matter basis, with most plants selling at around \$100 to \$110 a ton. There is a lot of uncertainty going into the fall as many producers are skeptical on forward contracting, yet commodities in general may become scarcer.

Ingredients Division

mi_ingredients@zfsinc.com
wi_ingredients@zfsinc.com
ga_ingredients@zfsinc.com

International Trading

Darwin Rader..... 616.748.1819

Annette Brown..... 616.748.1858

Michigan Office..... 866.888.7082

Clint Cherney • Dan Meeuwssen

Michelle Robinson • Shannon Caudill

Wisconsin Office..... 800.523.6760

Kevin Larson

Jeff O'Leary • Jennifer Roble

Georgia Office..... 888.281.1003

Ray Williams • Liz Ekkel

All Billing Inquiries..... 866.888.7082

Bentley Kollen • Janie Gonzalez

Michele Hall • Sandy Tyron

Unpredictable market conditions raise plenty of questions

Is a verbal contract a binding contract? If I don't sign the contract, does it still mean I have to honor it? If I don't like my price do I have to deliver? Do I have any options to get out of a contract if I can't deliver because of the past summers dryness?

These are questions we have all heard over the last few months, and the answer to all these questions is a resounding, "YES."

This will be a challenging year for everyone and we will all learn a lot. The dynamics of the markets will

Market report

change often and fast as we get into these crops and discover what we are dealing with as far as size and quality.

Foreign demand has been strong, and all indications are that will continue, which will keep prices high. The one thing we are not going to do is try to predict where this market will go. Our recommendations are to make sure everyone honors all their obligations for delivery, speak up if you may

be short on a contract so we can get a plan in place and, finally, if you do have extra bushels unsold, keep selling a little bit as the market goes up and keep raising your grain sales average.

Soybean meal has been scary as these markets have continued to go up. Many feeders and end users will start to run out of contracts at the end of September, and we recommend as you run out to watch the market and grab some spot loads on the days they drop. As far as contracting for October and going forward, this is the year

you are going to have to know all your inputs and your break-even level. Have some target orders in, and if you do lock in meal and want to cover yourself in case the market drops, this may be the year to buy a put so you can take advantage if the market does fall. However, you have a ceiling on how much you will have to pay.

Grain Division grain@zfsinc.com

Jeff Johnston..... 616.748.1851

Kurt Bergstedt..... 616.748.1832

CLIFF: Ethanol under siege from propaganda machines of many factions

Continued from Page 1

to about 160 bushels per acre today.

Thus, the availability of ethanol has increased so much that the United States exported more than a billion gallons last year. Why did we export ethanol, which at times is \$1 a gallon cheaper than gasoline, and import expensive oil? Federal law allows conventional gasoline to contain a maximum of 10 percent ethanol, so consumers couldn't buy it if they wanted to. They had to buy expensive gas made from expensive imported oil instead.

This year, the U.S. has the largest inventory of ethanol on record and, again, we can't use it. There is so much in storage that 30 percent of the ethanol production in the United States has been shut down. And this year, because of federal law, we are actually importing ethanol from Brazil.

But wait, it gets worse. American taxpayers are subsidizing Brazilian ethanol to the tune of 45 to 50 cents per gallon, and Brazil will export between 500 and 600 million gallons at the expense of U.S. jobs and \$300 million. (That's \$300,000,000!) That's

your money!

You might wonder why that is allowed to happen. I know I did.

The Environmental Protection Agency has decided that U.S. ethanol made from feed corn starch affects food costs more than ethanol made from sugar cane and transported all the way from Brazil. Ethanol made from sugar is labeled an advanced biofuel, thus the U.S. taxpayers subsidize Brazilian jobs, while there are no subsidies available for U.S.-made corn ethanol and the jobs the industry creates.

And we wonder why we have more than 8 percent unemployment. When it comes to government, be aware of unintended consequences.

That leads us to the food vs. fuel issue. Do you think anyone takes into consideration that 2.8 gallons of ethanol are produced per bushel of corn used? Also, 40 percent of the leftovers are used to produce protein-rich distillers grains. Distillers grains contain three times the protein by weight as corn and is highly valued as a feed product for livestock and poultry.

Also coming from the same bushel of corn are corn oil, corn syrup and

carbon dioxide, which puts the fizz in your soda. All these co-products seem to be left out of the food vs. fuel debate.

How about the fact that transportation costs drive up food prices more than the cost of corn does? Thus, when the cost of fuel stays under control, it helps lower the cost of our food in restaurants and grocery stores.

Then again, if we are worried about the cost of food, why does the government continue to keep the U.S. dollar weak so other countries can buy our corn at lower prices? The U.S. has had record exports of corn each of the last two years, so someone must think we have plenty.

However, if more corn is needed, the USDA's Conservation Reserve Program should be revisited. Through the CRP, landowners are actually paid not to farm up to 32 million acres of agricultural land each year. Though the proposed 2012 farm bill would reduce that to 25 million acres by 2017, the fact remains that, despite a perceived shortage of corn, the government still pays farmers not to farm.

If those 25 million acres were used to

grow corn, based on the 2011 average yield, they would produce more than 3 billion bushels of corn. That's about 80 percent of the net amount of corn the ethanol industry used in 2011. Along with virtually eliminating the food vs. fuel debate, farming those now-vacant acres could also create about 60,000 jobs.

As for fuel costs, without the 13 billion gallons of ethanol supplied to the U.S. fuel blenders, who knows where gas prices would have been this year following the shutdown of numerous domestic refineries?

As a food producer and a consumer, I look at the bright side and say at least we don't have to spend all our money at the pump and we have some left over for food.

As you are well aware, we've had a very tough summer. It was also very dry in 1988, 1974 and 1936, which was the driest on record. As in those years, the market will allocate the grain based on our ability to pay and food will always win. We've made it through the dry years before, and we'll make it through this one.

Students help ZFS, Ag industry tackle PR issue

□ IChallengeU program teams Ottawa County students with local firms

By GARY BROWER
Zeeland Farm Services, Inc.®

The initial task facing seven Ottawa County high school students was daunting to say the least.

Through the IChallengeU program of the Ottawa Area Intermediate School District (OAISD), the students were challenged with the monumental chore of changing the public perception of the agriculture industry.

Led by Hamilton Middle School science teacher Ted Malefyt and Careerline Tech Center agriculture science teacher Tony McCaul, with assistance from Brian Meeuwsen, grain merchandiser at Zeeland Farm Services, the students spent two weeks in July paring the issue down to a more easily-digestible task.

The group opted to focus on reaching a younger audience by using educators as a conduit to provide information about the Ag industry to students. On July 21 at the Haworth Inn & Conference Center in Holland, they presented their marketing plan to a panel of expert judges as part of a competition with five other teams of students who were also paired Ottawa County firms.

“Watching the interaction between students, teachers and ZFS employees is something that was special to be a part of. The gap between businesses and schools has been too large. Through programs like this, hopefully, long lasting relationships are built and can bridge the disconnect,” Malefyt said. “Witnessing students from a variety of backgrounds become engaged in agriculture and excited to share the story has to be a win for ZFS. Thanks for the cooperation, hospitality, professionalism and innovative thinking!”

IChallengeU was created as part of the OAISD’s futurePrep initiative, which is designed to introduce high school students to real world activities through participation with local businesses organizations and educational institutions. For being part of the intensive, two-week IChallengeU program, each of the 45 students who participated earned four college credits through Grand Rapids Community College. All of the students also earned \$250 scholarships, while the members of the winning team earned an extra \$750.

But the program was more about experience than money and college credits.

“We wanted to make sure we had a wide array of career pathways for the students to experience and get ex-



ZFS photo by Gary Brower

ON STAGE: Home-school student Katrina Kleis leads the ZFS team through its presentation during the IChallengeU program in July.

posed to,” said Jason Pasatta, director of career and technical educational development for the OAISD. “We tried to be as intentional as possible in picking different businesses in different industries.”

In addition to Zeeland Farm Services, the organizations involved in IChallengeU included office furniture manufacturer Haworth Corp., Holland Hospital, Hope College’s Haworth Inn & Conference Center, manufacturer Innotec and The United Way.

Brian Meeuwsen said he was initially skeptical about the program, but

agreed to partner ZFS with OAISD and GRCC based on the potential of the program. He realized after the first day of the program that he had made a good decision.

“I was a little apprehensive. It was a new program and I wondered how good it would be,” Brian Meeuwsen said. “But the first day of having the kids on site, and meeting the kids and seeing the computers and video equipment and resources they were given, I said, ‘This is no dog and pony show.’”

“Overall, the results couldn’t have been better, and I can’t wait to be a part of it next year.”

SMITHS: Turkey farm was founding partner of Michigan Turkey Producers Co-op

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wheel of the Chevy “Lean Meat Machine,” is pushing for a top three finish in the elite pulling league this season. Jeff, driving “Gobbled Up” (also a Chevy), is fighting for a spot in the circuit’s top 10, and possibly the top seven.

For Jeff, who was a toddler the first time his dad hit the track, pulling is woven into the fabric of his life. It’s his hobby. It’s his passion. It’s the connection between three generations of Smiths who love the competition and the camaraderie of the sport. Jeff’s son, Jake, just turned 16, and after several years of watching his dad and grandpa, has driven “Gobbled Up” in several local events this season.

The family spends many summer weekends together on the road, traveling to fairs and PPL events from Iowa to New York and throughout the Midwest.

“Jake has been watching me for 16 years. He loves it and he lives it. We love doing it as a family,” Jeff said. “For my dad and myself, it gives us something else to do outside of work.”

Work is where Larry and Jeff spend most of their time together, tending to the family business started by their father and grandfather more than a half century ago.

Henry Smith, who was the owner of a feed mill in the Middleville area, began raising turkeys as a sideline



ZFS photo by Gary Brower

THE NEXT GENERATION: Jake Smith, 16, (left) is already comfortable behind the wheel of “Gobbled Up,” one of Smiths’ Turkey Farms’ Pro Modified pulling trucks. His younger brother, 11-year-old Levi, is waiting in the wings for his chance in the driver’s seat.

business in the early 1950s. He grew the birds primarily in the summer in the orchards around Middleville, and in the early ’70s moved the turkey farm to Holland, closer to the family homestead.

By then, Larry was already working in the family business and his brother-in-law Mark Buus joined the team, as well. Larry and Mark, along with Jeff Smith and Travis Buus, Mark’s son, are co-owners of the turkey farm. The farm, which grew from a single building, today finishes about 700,000 birds a year in 31 buildings on several sites throughout southwestern Michigan. Smiths’ Turkey Farms also owns and

operates a feed mill in Allegan County and besides family members, employs 14 workers full time.

Jeff said the Smiths’ thriving business owes much of its success to the Michigan Turkey Producers Co-op (MTPC), which his father helped establish in the late 1990s when the Smiths’ largest customer opted to ship in its own turkeys for processing rather than buy West Michigan birds.

With a large share of its market wiped away, the local producers were forced to make a change.

“We had a decision to make,” Jeff said. “Either we had to quit growing turkeys, because you can’t ship them

long distances, or we had to do something about it.”

What Larry and about 15 other local producers did was create their own market by starting the MTPC. The co-op began operating its own raw plant in Wyoming, Mich., in 2000, and five years later opened a state of the art cook plant, as well. Today, all of the Smiths’ turkeys are processed in West Michigan and end up in house brand products for Costco and Gordon Food Service, as well as the deli case of Meijer under MTPC’s own Legacy label.

“We have an excellent product. I think taste wise I’ll put our product above anybody else’s,” Jeff said. “Once you get someone to try it, they come back every time. It’s just getting people to try it.”

Jeff said the Smiths have been customers of Zeeland Farm Services for about 40 years. Their birds, he said, get most of the protein in their diet from soybean meal and corn from ZFS.

“We’ve had several opportunities to buy (soybean meal) from the southern competitor, but we’ve stayed loyal to Zeeland Farm Services,” Jeff said. “We’ve known the Meeuwsen family forever. I can remember when I was a little kid, Cliff, Arlen and (ZFS Maintenance Garage Manager) Rick Nyenhuis delivering corn here. That’s how far back we go with Zeeland Farm Services.”

Bulk freight keeps Transportation Division hopping

❑ Season of heat and road construction nears the end

The Transportation Division at Zeeland Farm Services has been extremely busy throughout the summer as all types of bulk freight have been very steady, and we are hiring drivers in order to meet the demand. Summer is also the most popular time for employees to take well-deserved vacations, and that almost always creates a shortage of help throughout the company.

We are always looking for qualified, part-time truck drivers. Applications can be found online at www.zfsinc.com and at either the operations or administration offices, 2525 84th Ave. in Zeeland.

Freight update

As the cost of operating trucks rises, ZFS continues to look for ways to be more efficient and keep costs down. The drivers have the biggest impact on reducing costs, and we're always looking for incentives we can offer for a job well done.

We recognize that the best truck drivers are generally underpaid. We also believe that will turn around over the next few years and plan to be ahead of the curve.

It has been a perfect summer if you like hot weather. Our mechanics are probably a little tired of the constant battle of keeping the air conditioning working on all the trucks. Like most

Michigan-based companies, our trucks are not equipped with separate air conditioning units, so the drivers are forced to run the engine to keep cool in the extreme heat.

If every year were like this, we would likely consider adding separate units. I imagine in a few years the trucking industry will look back and ask; "Remember when we used to idle our 400-500 horsepower diesel engines just to keep the cab of our trucks cool?"

Anyone who travels a lot knows that summer traffic and construction can test the patience of even the most professional driver. The countless miles of orange barrels and reduced speeds with no sign of any work being done are among the most frus-

trating. All road projects should have some sort of time based incentive, or perhaps even a pay reduction for unnecessary lane closures. I bet most of us would help police the "No Work Happening Zones" free of charge.

Transportation Division
mi-freight@zfsinc.com

Greg VanderWal & Don Lewis
 Grain Hauling 866.748.1820

Mike Keeler & Jill Barnes-Caudill
 Bulk Commodities..... 800.968.4507

Jamie Andrews
 Tanks & Containers 800.968.4507

Chris Laarman & Travis Overway
 Garage & Wash Bay 800.748.0595

Jeff Griffith
 Florida Transportation... 888.826.6809

Connie Flynn
 Florida Transportation... 616.879.1760

ZFSelect planning busy fall of plot tours and field days

As harvest nears, it's shaping up to be a busy fall for the Seed Division at Zeeland Farm Services, Inc.®

We are anxious to see what the soybean and corn crops yield this year, but as always, we are making plans for future growing seasons. With that in mind, we have scheduled several informational events throughout the harvest season.

At 11 a.m. Sept. 18, we will be hosting the ZFSelect Field Day at our plot

Seed update

just west of Eastmanville, Mich. The field is on Leonard Street, about 1 ¼ miles west of 68th Avenue.

Also this fall, ZFSelect will be hosting an event at 11 a.m., Sept. 24 at the ZFS Partners corn demonstration plot at Jimmy Smallegan's Ottawa County farm. The farm is on 52nd

Avenue, about a ¼ mile south of Byron Road in Zeeland Township.

From 11 a.m. to 3:30 p.m., Sept. 20, the Michigan Soybean Checkoff and Welden Farms are teaming up to present the Soybean Harvest Equipment Field Day and Plot Tour, rain or shine. The event will be at Welden Farms, 9661 Cranberry Lake Road, Jonesville, Mich. The farm is about 2 ½ miles north of M-99.

The event is free, but pre-registra-

tion is required by calling (269) 673-0370, ext. 27 on or before Sept. 14.

For more information about any of the field days or other events, including driving directions, contact one of the ZFS Bean Team members.

The Bean Team

Dan Bailey, CCA.....616.437.3961

Brian Dierberger517.490.4216

Zoye's Berry Good Blueberry Muffins

Servings: 8 | Prep Time: 15 min | Total Time: 40 min



Ingredients:
 1 1/2 cups all-purpose flour
 3/4 cup white sugar
 1/2 teaspoon salt
 2 teaspoons baking powder
 1/3 cup Zoye Premium Vegetable Oil
 1 egg
 1/3 cup milk
 1 cup fresh blueberries

Crumb Topping:
 1/2 cup white sugar
 1/3 cup all-purpose flour
 1/4 cup butter, cubed
 1 1/2 teaspoons ground cinnamon

Directions
 Preheat oven to 400. Grease muffin cups or line with muffin liners. Combine flour, sugar, salt and baking powder. In separate bowl, mix Zoye Premium Low Sat Vegetable Oil, egg and milk. Mix into flour mixture. Fold in blueberries. Fill muffin cups to the top.

Crumb Topping: Mix together sugar, flour and cinnamon. Mix with fork; sprinkle over muffins before baking.

Bake for 20 to 25 minutes in the preheated oven, or until done.

Zoye Premium Low Sat Vegetable Oil is available at Meijer, D&W, Whole Foods, and online at www.amazon.com.

Visit www.zoyeoil.com for more information!

ZFS refinery achieves SQF certification

Refinery update

We are now SQF Certified here at the refinery, so we should be up to speed on any food safety requirements our customers may have. Now it is just a matter of improving on what we have, in addition to any adjusting to changes SQF or the FDA may add to their requirements. For example, final rules for the Food Safety Modernization Act will be released soon, and we will have a set time to get our facility into compliance.

The project that will allow us to do a better job of mixing the oil and additives has now been started. Most of the engineering has been done and it is just a matter of time before the equipment arrives and is installed.

The new technology will allow us to do a better job of mixing the oil with the additives in order to eliminate excess additives going into the oil. It will also promote better separation at the centrifuge to improve oil loss efficiency and will leave the oil cleaner, meaning less additives downstream of the new process.

Soy Plant update

We ran at, or near, capacity all summer at the soy plant. The addition of a second cooling tower this spring came just in time to help us deal with a hot summer and allowed the plant to maintain operational efficiencies, even at the higher crushing pace. We continue to look at making improvements to achieve greater efficiencies going forward.

With harvest approaching, we take this opportunity to remind you that in order to help eliminate delays when delivering soybeans to ZFS, it is very important that the delivery drivers know the variety they are hauling, the customer's name and whether beans are to be sold, under contract, etc.