

## In This Issue

### HOW LOW CAN IT GO?



River levels may impact market prices. **See Page 2**

### HARVEST HAULIN'



Freight Division pulls its weight in fall. **See Page 3**

### Also Inside

Grain Market Report ..... 2  
ZFSselect Update..... 4  
Refinery/Plant Update ..... 4

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# From pelts to produce

❑ Springdale Farms has evolved from raising foxes to raising vegetables for the food processing industry

BY GARY BROWER  
Zeeland Farm Services, Inc.®

Virtually since its inception in 1874, Springdale Farms has been an evolving business.

During its 138-year history, Springdale has been, at one time or another, a small family farm, a silver fox breeding farm, an award-winning dairy operation and a producer of fresh vegetables for retail outlets large and small throughout Michigan and the southeastern United States.

Today, Springdale Farms near Scottville, Mich., is owned and operated by Ron and Bill Schwass, the fifth-generation of Schwasses to run the family business, and is one of Michigan's more-respected growers of vegetables for the food processing industry.

Springdale was a small family farm until 1922, when Carl Schwass, Ron and Bill's grandfather, began raising silver foxes for breeding stock and pelts. He named the operation Springdale Silver Fox Farm, and in 1930 a registered



ZFS photo by Gary Brower

**FIFTH GENERATION:** Springdale Farms owners Ron Schwass (left) and Bill Schwass (right) stand in the company's equipment storage facility with employees Don Kissell and Tyler Martz. Springdale Farms has been operating in the Scottville, Mich., area since 1874, and today farms 1,000 acres of vegetables for processing and 2,000 acres of row crops.

Guernsey herd was added.

Carl eliminated the fox operation after World War II, and the Schwass brothers' parents, Jim and Alice, took over the dairy operation in 1950. They spent four decades building Springdale Farms into a renowned herd, which in the 1970s was recognized as one of the nation's best for its size. But it was its size that

See **SPRINGDALE**, Page 3

## Springdale Farms

**Owners:** Ron and Bill Schwass  
**Location:** Scottville, Mich.  
**Type of farm:** Grower of vegetables and grain  
**Employees:** Five full-time and 25 seasonal  
**ZFS customer since:** 2000

# The perfect storm of crop supply and demand



Stock photo

**HUNGRY FOR MORE:** Though China's agricultural output is the largest in the world, it is not capable of producing enough to feed its growing population. China imported four times more corn in 2011 than 2010, driving the global demand for the crop higher.

❑ Worldwide demand for grain on the rise, while production has dwindled

Well, this certainly is a wild ride. After three years of diminished crop production worldwide, we find ourselves with more demand than supply.

The question now is: How high will market prices have to get to lower demand to meet the existing supply?

We have had short crops around the world, with Australia and Russia having short wheat crops, while Argentina, Brazil, China and the United States have had short soybean and corn crops. This happens from time to time, but rarely does it all happen within a two-and-a-half-year period.

Also, it's been tough to supply the world with enough grain, considering what has happened to demand. China, and to a lesser extent, India have been the game changers. The middle classes in those countries have grown dramatically, thus

## Cliff's Notes

Cliff Meeuwssen is president of Zeeland Farm Services, Inc.

increasing their demand for quality food and energy products.

India was an exporter of grain in the past, but now consumes most of its grain domestically. China just keeps on buying grain, as well as livestock products, from the cheapest source possible.

With the value of the U.S. dollar kept low by the federal government, we seem to be the cheapest, most reliable source.

The bottom line is we have a large and growing demand for agricultural products, and with the past three years production of short crops around the world, it is no wonder the Chicago Board of Trade has seen record high prices for most all commodities.

See **CLIFF**, Page 2

## Feed Ingredient Options

# Distillers prices remain stable amid unstable market

Dry Distillers Grain (DDGS) has become more available in the Wisconsin, Minnesota and Illinois region.

Although the price of DDGS has remained at 90 to 95 percent the value of corn, some ethanol plants are not running at capacity, or even at half speed. There remains a lot of uncertainty in the industry and how that will impact the price of corn for the upcoming months.

Spot DDGS sales are at the \$245 to \$265 per ton level. Most plants will still not show a forward figure past March, as the ethanol markets have been mostly down. There is a lot of hesitation going into 2013 as many producers are skeptical about forward contracting, yet commodity spot sales are pretty stable, with little fluctuation in prices.

Though soybean meal prices went lower, neither wet distillers nor modified distillers sources of protein have fallen, as supply and demand is pretty balanced. Wet distillers has been running \$90 to \$100, and modified is about \$135 to \$145 at the plants.

Time will tell if both corn and beans will remain in this range as crops are taken off in foreign countries and global markets unfold.

### Canola Meal

The Canola meal market continues to tighten as eastern crushers reduce



Stock photo

**LOW AND SLOW:** An additional impact of the summer's drought may be a drop in the water level of the Mississippi River, affecting the transport of grain to terminals in the Gulf of Mexico, the primary outlets for U.S. Ag exports.

throughput or compensate for poor margins derived from high seed costs and low demand for Canola oil. Until Canadian farmers begin selling seed again, most processors cannot sell Canola oil, therefore they will not offer meal.

Eastern processors will have a difficult time maintaining crush if margin structure and seed prices do not improve.

### Cottonseed

The cotton crop continues to grow in size this season as late summer rainfalls helped the cotton plants add fruit, which has added to the overall size of the crop. The ginning season is coming to completion and should be

wrapped up by early January.

Prices for cottonseed are trading on the bottom of the range versus other ingredients. This pricing has allowed cottonseed to find its way back into many rations. If you're interested in feeding cottonseed, please call us for a quote. We have product in several warehouses around the Midwest ready to meet your needs.

### Soy Hulls

Soy hull values are strengthening as fiber sources remain in steady demand. The continued drought isn't favoring the pasture growth, calling for steady sales of hulls moving forward through March. Contracts are available for loose or pellets.

Another potential effect of the recent dry season may be right around the corner, and it could hit the entire country. Low water levels may severely impact feed and other agricultural products that are barged up and down the Mississippi River.

Since most barges need a river depth of at least nine feet, a drop below that level will halt the flow of river traffic to the export terminals on the Gulf coast, the main outlets for U.S. agricultural exports.

A river closure could also impact shipments of coal, fuel, fertilizer, road salt and numerous other goods. There would definitely be a domino effect that would influence all commodities across the board.

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## Discount schedules can have impact on marketing strategy

Many say marketing is the hardest part of farming, and sometimes it is. Other times, marketing is just taking advantage of what is right there in front of us.

Everybody wants to know where this market is going to go and no one knows the answer. What we have proven again this year is that higher prices cure higher prices. The remaining question is: For how long?

Let's examine one thing that often gets overlooked, but is actually a very simple marketing tool: Discount schedules, especially at higher prices.

Let's start with soybeans. Many people only look at the price or basis

### Market report

level. Something that needs to especially be watched in beans is the moisture discount. Some processors and elevators hit you for a percentage of your price instead of what most elevators use for schedules.

For instance, if you have sold your beans for \$14 and you ship beans that are at 13.6 percent moisture, some processors will discount you 3 percent of your price, or 42 cents per bushel. If you sold at \$17, it would be a 51 cent discount at 13.6 percent moisture.

At Zeeland Farm Services, if you sold \$14 beans and have 13.6 percent moisture, the discount would be less than 25 cents (1.4 percent shrink and 5 cents). At \$17 per bushel, our discount is less than 29 cents.

It's the same thing with corn. Advertising shrink only seems like a great deal, but is it? Let's use two real discount schedules.

Put a pencil to this. Say you have \$7.50 corn, 1.4 percent shrink per point (some elevators use a steeper discount than this, but 1.4 per point is pretty standard) and use 18 percent moisture. This is a total "discount" of 31.5 cents at shrink only.

Another buyer discounts at 10 cents per point and no shrink. This 18 percent corn is now discounted a total of 30 cents per bushel. That worked out well this year because of the higher prices.

For more information about the ZFS grain discount schedule, visit [www.zfsinc.com/grain](http://www.zfsinc.com/grain).

If you use ZFS to help market your corn and let us know what your harvest program will look like, we can help you maximize your profits.

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## Cliff: Producers are finding it difficult to keep up with worldwide grain demand

### Continued from Page 1

Now we get back to the big question: How high will the market have to go in order to lower demand to match the supply?

The market is slowly adjusting. First, demand is slowly decreasing, with the livestock producers cutting back demand by downsizing herds. Next, we have ethanol plants (32 and counting) being shut down. We also have world economy slowdowns, thus people begin to eat differently, with less industrial use.

We see that demand is beginning to slow, so now we look at supply. Brazil

and Argentina have the capacity to produce much larger crops. But can they get their products to the market? Logistics is an issue there. Transportation is very expensive and slow, as their socialist governments are not very good at providing transportation infrastructure. The United States also has the capacity to increase its production.

So if you look at the supply that could be produced in the world with good crop production, it could add up to 4 or 5 billion bushels. With that kind of supply possible, and demand being cut, sometime in the future, be

on the lookout for lower prices.

A couple of keys to look for are big world crops and good weather - and not just in the United States. Remember, we are in a world market. The next factor is demand. Demand for energy. Demand from industry. Demand for food and demand for fuel.

Another key component, and a big one for the United States, is the value of the dollar. If it strengthens against other currencies, it will make our products more expensive than products from other countries, thus slowing our exports. Watch this area, as we are in a very inflationary-type

market, driven by cheap dollars. If this changes, exports will slow.

It is a demand-driven market right now. But if you are in business to survive long term, watch for changes and use your risk management skills to keep your business profitable.

We hope you all had a great, safe harvest. We all have a lot to be thankful for in this holiday season. At ZFS, we are very thankful for you, our valued customers. We thank you for the opportunity you give us to serve your families.

I hope you had a Merry Christmas and I wish you great New Year.

# Extended harvest spreads the trucking workload

## ❑ Rain delays help Freight Division meet demand

Another harvest season has passed, and similar to last year, the 2012 harvest was rather drawn out. The main reason was a couple of heavy rain delays.

Although our customers probably did not enjoy it, this type of harvest really helped us keep up with demands. As much as we try to prepare, we could always use more trucks and more help during these few weeks every year.

Please let us know how we are doing and what we need to do better.

All of the freight areas have had a consistent workload this fall. Everything from grain, feed and soybean oil, to general freight and industrial products seem to be moving at near-full capacity.

The prices of trucks and trailers, along with almost all other costs involved with owning them, are increasing. We continue to look for ways to improve efficiency so we can continue to offer competitive rates.

## Freight update

Fuel prices have been just below \$4 per gallon for quite a few months in a row. Trucking companies are continually looking for different ways to burn less fuel. Probably the newest trend is additional aerodynamic panels and devices that can be seen on most long haul trucks. Anything to reduce drag is worth trying.

Increasing a truck's fuel efficiency from 6.5 MPG to 6.8 MPG equates to a \$3,200 savings for trucks that travel 120,000 miles per year. Slowing down and reducing idle time are still the most effective ways to save fuel. Our drivers play the most important role in controlling costs and providing the best customer service.

ZFS is always looking for part-time drivers. Full-time positions are limited, but we continue interviewing for when positions become available. Applications are available online or at the ZFS admin or operations office.

We continue to upgrade the fleet and have some used trucks and trailers for sale. All of our equipment is



ZFS photo by Gary Brower

**HARVEST HAULIN':** Zeeland Farm Services' fleet of trucks was once again busy during the fall, but rain delays helped spread the workload over an extended period.

well maintained from start to finish. Please call Kurt at (616) 748-1850 if you are interested or have questions about used equipment.

The ZFS maintenance shop 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 available services. Please call Chris L. for an estimate.

The wash bay is open 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.

## Transportation Division

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## Springdale: Family farm has grown into top grower for vegetable processing

Continued from Page 1

ultimately led to the herd being dissolved and sold at auction to buyers throughout the United States.

"By 1990, because of changes in the economy and the dairy industry, the dairy operation had become obsolete. It needed to be significantly expanded or sold," Ron said. "We knew in our area that if you weren't going to do livestock, you couldn't make it on just corn and soybeans. The yields and the land aren't meant for that, so that's why we went with vegetables."

Bill spent most of the '80s building a custom harvesting business in Mason County and beyond. In 1993, the brothers formed a formal partnership, absorbed the harvesting operation and began their journey into the fresh vegetable market.

Springdale Farms grew butternut squash, asparagus, zucchini, summer squash, cucumbers, peppers and string beans, in addition to traditional row crops, on about 1,300 acres. By 1994, the harvesting business covered more than 3,000 acres of corn and small grains.

The Schwass brothers built their business on a reputation of growing quality produce, but the volatility of the fresh vegetable market soon began

to take its toll. Large pricing variations and supply swings made it tough to earn a stable income, so Springdale Farms evolved once again, setting its sights on processed vegetables.

"We've always learned from our father that you (try to) grow a quality product. The processed vegetable market was always, 'Whatever it is, it is,' and we felt that we should still grow a quality product," Bill said. "I think with that outlook, or that kind of view, processors look at us like, 'Our recovery is better. We want a quality product.' So we were able to get some of those contracts. You continue to bring them quality products, they will keep doing business with you."

Today, Springdale raises about 1,000 acres of vegetables and 2,000 acres of row crops annually. Besides Ron and Bill, the farm has three full-time employees – Don Kissell, Carl Jansen and Tyler Martz – and uses a force of about 25 seasonal workers to plant, tend and harvest the vegetables.

In addition to corn, soybeans, wheat, alfalfa, oats and rye, Springdale Farms grows asparagus, string beans, zucchini, winter squash and butternut squash, and produces a large carrot crop in Buckley, about an hour north of the farm's home base.

Ron and Bill are true partners in the operation, but their jobs vary greatly. Ron has a business degree from Michigan State University and handles the accounting side of things, similar to a chief financial officer. Bill is in charge of the day-to-day operations of the farm, much like the chief operating officer.

"He decides to buy something. I figure out how to pay for it," Ron joked.

Ron is not, however, tied to his desk all day. He does most of the planting



ZFS photo by Gary Brower

**CLEAN AND GREEN:** Springdale Farms employee Tyler Martz sprays clean one of the company's John Deere tractors before returning it to the equipment storage barn.

for the farm, while Bill does the spraying. If you asked either one to do the other's job, the operation might just grind to a halt.

"Our dad started us on jobs when we were kids. I'm a little bit older so I started on the planter. I do all the planting," Ron said. "A year or so after I started planting, I saw Bill out on the sprayer. I've sprayed probably 20 acres in my life. I wouldn't know how the heck to use a sprayer."

"And I've never planted a kernel of corn in my life. Not a kernel," Bill added.

Springdale began as a family farm, and though it has grown in stature, it remains a family farm. Ron and his wife, Connie, have four children. Katie runs a local day care service, while Lee is an engineer for a local manufacturer. Makenna, 13, is still in middle school, but 15-year-old Luke works on the farm and has been bitten by the farming bug.

Bill is married to Veronica, and they have two children. Levi, 17, has been

helping out on the farm for many years and has his eyes on an engineering degree, while 12-year-old Jocce recently had her first experience harvesting corn.

Springdale Farms has been a Zeeland Farm Services customer since 2000, and ZFS annually transports and markets about 1,400 acres worth of corn and wheat for the farm.

During harvest the past four years, the ZFS freight division has employed four eight-axle trucks to haul carrots from the fields in Buckley to Arbre Farms in Walkerville. For five consecutive weeks each fall, ZFS drivers and Springdale employees have shown great cooperation and professionalism in orchestrating the delivery.

"We want to be loyal, and we feel we get that in return. If you don't get that back, then that makes you want to go somewhere else," Bill said. "I guess we always felt like we've been treated fairly. (ZFS) takes care of us in the fall and they treat us right with the marketing. So we feel it goes both ways."



Photo courtesy Springdale Farms

**FOX FARM:** From the 1920s until after World War II, Springdale Farms raised silver foxes for breeding stock and pelts.

# First beans of 2012



ZFS photo

**HARVEST STARTER:** The first load of the 2012 crop of soybeans was delivered to Zeeland Farm Services on Sept. 11, five days earlier than the first load of 2011. The beans came from Clearview Farms in Caledonia.

# New boiler will increase efficiency

## Soy Plant update

As another harvest season ends, the bins at Zeeland Farm Services are filling up.

However, along with the normal challenges we face each harvest, this year a lot of the beans are coming in wet, so the crew at the soy plant is dealing with that.

The tweaks we made and tuning we did during shut down continue to pay off, as the plant is humming along smoothly.

We are currently working on a new boiler system in our renewable energy plant at ZFS, and will soon be replacing two older boilers with one more efficient model.

The new boiler will use exhaust from two co-generating engines to create steam, providing about 25 percent of the energy used to run our processing plant.

The main boiler that provides three-quarters of the power for the plant is fueled by methane gas, piped to Zeeland Farm Services from a local landfill.

The methane gas also drives the two co-gen engines, which produce electricity. The electricity is sold to Consumers Energy for its Green Energy program.

## Refinery update

New crop oil seems to be performing fairly similar to last year's oil which is a good thing.

Given the way this year's growing season went, we were really wondering how it was going to turn out, though the first concern was always if the beans would survive the season at all.

We have also added a few new types of oil to the mix, so that should be a positive for our customers.

# ZFSelect® non-GMO seed produces strong yields

## Seed update

Since Roundup Ready® soybeans were introduced by Monsanto they have dominated the marketplace in Michigan and beyond. In fact, more than 90 percent of the nearly 2 million acres of soybeans grown in the state this year were Roundup Ready® varieties.

But non-GMO soybeans have gained a stronger foothold recently, for several reasons.

It is the belief of many growers that non-GMO beans simply don't measure up to GMO varieties in terms of yield. However, according to 2012 test plot results, several varieties of Zeeland Farm Services' ZFSelect non-GMO soybeans surpassed the yield of many Roundup Ready beans.

Our ZFSelect 830 LL soybeans and 1125 LL varieties consistently outperformed plot averages in many of the regions tested.

For example, the 830 LL yielded 42.1 bushels per acre in the MSU Ingham County Central Zone, which was the best in the plot, and far surpassed the average of 29 bu/acre.

The 1125 LL was a powerhouse at the MSU St. Joseph plot, yielding 80.6 bu/acre, well beyond the plot average of 68.1 bu/acre.

Our ZFS 1326 variety also showed promise in the plot tests, outperforming many conventional beans. It yielded an impressive 83.5 bu/acre at the MSU Sanilac Plot, easily topping the average of 73.1 bu/acre.

## The Bean Team

Dan Bailey, CCA..... 616.437.3961

## Zoye's Sizzling Shrimp Stir Fry

Servings: 2 | Prep Time: 10 min | Total Time: 20 min

### Ingredients:

- 2 Tbsp Zoye Premium Low Sat Vegetable Oil
- 1 garlic clove, minced
- 1/2 medium-sized red bell pepper, cut into thin strips
- 1/4 pound snow peas, trimmed
- 1/4 pound sliced fresh mushrooms
- 1 pound large shrimp, peeled and deveined
- 1 Tbsp soy sauce
- 1/4 tsp black pepper
- 1 tsp sesame seeds

### Directions

In a large wok or skillet, heat oil over high heat. Add garlic, and sauté until tender.

Add red pepper, snow peas, and mushrooms, and stir-fry for 2 minutes.

Add remaining ingredients and stir-fry for 2 to 3 minutes, or until shrimp are pink and vegetables are crisp-tender. Serve immediately.

Make it a complete meal by serving over warm cooked rice.



Zoye Premium Low Sat Vegetable Oil is available at Meijer, D&W, Whole Foods, and online at [www.amazon.com](http://www.amazon.com).

Visit [www.zoyeoil.com](http://www.zoyeoil.com) for more information!