

Agri-ZFS[®] Source

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SPRING HAS SPRUNG



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□ Snider Farms has gone through hard times, but is now thriving thanks to hard work and creative thinking

BY GARY BROWER
Zeeland Farm Services, Inc.[®]

Andy Snider doesn't think about it much these days, but when he's standing at just the right spot on his property looking down over the farm, the memories come rushing back as vivid as the early morning it happened.

It was Nov. 17, 1996 and Andy and his wife, Beth, awoke to find the dairy barn on their Oceana County, Mich., farm fully engulfed in flames. By the time firefighters arrived it was too late to save the barn and most of the animals in it. All but one of the Sniders' milk cows perished in the blaze, and just like that, the family was out of the dairy business.

"It's not something I think about every day or every week, but when I do think about it, it's something that is very clear. There is this whole little sequence of historical memories that goes through your head. You kind of catch your breath a little bit and sometimes you get a little sentimental," Andy said. "But, I'm a firm be-



ZFS photo by Gary Brower

PARTNERS: Andy and Beth Snider, left, bought into Snider Farms in 1982 when they were young newlyweds and became sole owners in 1995. In January, their son and daughter-in-law Zack and Priscilla Snider (right) became 50 percent owners of the Hart-based hog, turkey and cash crop operation.

liever that everything happens for a reason. The Lord had a plan for us and it didn't include milking cows, so we made a shift."

The fire was the first – not to mention the most dramatic – in a series of unpredictable events over several months in the mid- to late-'90s that altered the path of Snider Farms forever.

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Snider Farms

Owners: Andy and Beth Snider, Zack and Priscilla Snider

Location: Hart, Mich.

Type of farm: Turkey and hog production, cash crops, custom planting and harvesting

Employees: Eight full-time, four part-time

Regulatory roadblocks driving production costs



□ Unnecessary rules are making it difficult for U.S. producers to compete

As of this writing, the calendar says spring, but unfortunately, the weather looks a lot like winter. In fact, this past winter reminded me of some of the worst winters I lived through back in the '70s.

It's a good thing the global warming people decided to change the name to climate change. At least that way they can try to maintain some credibility.

Their credibility should not be their big concern, however. Their real concern should be what their position on global warming/climate change – or whatever they decide to call it next – has done to the millions of people who have lost their jobs.

The thinking of the few on this issue is starting to greatly affect our ability to produce goods and services that people in this coun-

Cliff's Notes

Cliff Meeuwsen is president of Zeeland Farm Services, Inc.

try need. We have many agencies in our government creating rules and regulations that kill jobs in the United States by raising the cost of making products here.

As agriculture people, we need to realize the regulations that add costs throughout the production of food – from the field to the plate – are making it harder for us to compete in the world marketplace.

Countries without some of these added production costs are able to produce food that competes with the U.S., and soon we could be seeing more and more food imported into the states.

We also see the added costs are lowering our standard of living and making it much harder for the poor throughout the world to afford to

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RED TAPE: Many farmers are struggling to work within a system heavily laden with government rules and regulations that drive the cost of doing business higher, making it hard to compete in a global market.

Commodities markets active as planting season nears

As we get back into the swing of things after what has been one of the longest, coldest and snowiest winters we have had in several years, the commodity market has been moving and shaking.

Corn, soybeans and wheat have been in an overall bull market since harvest. The USDA's March 31 Grain Stocks and Prospective Planting Report brought a bit of volatility to the commodities, even with the numbers very near to the average trade guesses.

According to the report, the projected soybean acreage for the 2014/15 growing season will be 81.5 million acres, almost exactly matching the trade estimate of 81.4 million acres. Last year the planting acreage was 76.5 million acres. With an additional 5 million acres of soybeans planted, there is no question an average growing season will bring a much larger supply. North Dakota, Minnesota and Nebraska were the states that accounted for the largest increase in soybean acreage.

The USDA quarterly stocks were reported neutral at .992 million bushel versus the trade estimate of .989 million bushel. Last year the USDA showed a quarterly stocks number at .998 million bushel and the market

Market report

was extremely tight on bean supply throughout the summer. With the recent rally in new crop soybeans, farmers should take a hard look at the possibility of locking in a profit by knowing their input costs for growing beans this year.

Soybean meal continues to follow soybeans higher, which greatly adds to the cost of production for many of our customers. One tactic that could be profitable is selling meal puts with the thought that, if the price breaks that put level, you have a profitable strike price, as well as premium at that value. If prices were to continue to drop to the point where one was executed upon, that hedge-to-arrive contract could be rolled through an inverse to a competitive fall value.

Corn acreage for the 2014/15 growing season was stated by the USDA at 91.61 million acres, well below the trade estimate of 92.9 million acres. Last year U.S. farmers planted 95.4 million acres of corn. With exports and feed use remaining high, along with strong ethanol prices, we expect continued high demand for corn.

The funds have bought heavily into



ZFS file photo

MOVING MARKETS: As planting season nears and producers prepare to return to their fields, the commodities markets have been very active, and a little bit volatile.

this corn market, which could lead to increased volatility. The quarterly stocks reported 7.005 million bushel, compared to the trade estimate of 7.11 million bushel. Last year's March Stocks Report reported corn stocks at 5.4 million bushel.

Wheat acreage for the 2014/15 year was reported at 55.815 million acres, just shy of the trade estimate of 56 million acres. The trade continues to keep a close eye on any activity between Russia and Crimea, as well as the status of the western wheat crop.

The key to ensuring profitability for your operation lies within hedging your risk and locking in profitable prices. The merchandisers at Zeeland Farm Services can assist you with the use of target prices, options, basis and hedge-to-arrive contracts. We wish you a safe and profitable growing season.

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Feed Ingredient Options

Rail issues keep canola supplies tight, limiting spot offers

Canola remains tight on the nearby as rail logistics are limiting spot offers in the Eastern and Midwestern markets. Forward basis appears to be widening as we have seen the SBM board rally and lends the thought that canola may find its way into more rations as SBM prices itself out.

Strong demand and high milk prices keep pushing these proteins higher. New crop offers are comparative to past years, but not a great value at this point compared to competing proteins to find many forward sales.

We are expanding all of our existing transload and storage sites to handle larger trains and carry more inventory. This will allow us to service customers at more competitive values and not run out of inventory. By later this year, all of our facilities will be taking 25-car trains, 50-car trains or 100-car trains, which will align us with the railroad and the processor for faster turn times of equipment and better service to the marketplace.

Distillers

In the Dried Distillers Grains (DDGS) market, product has been tight due to high export markets and

local demand. Most DDGS are difficult to source going forward into the summer months. The prices have continued to remain robust and at record highs in comparison to corn.

Some deals on wet products have been available due to down dryer times, but that availability may change with most plants reclaiming their wet feeds and only making wet to order at a premium cost. All indicators look to a later planting season, with an ongoing concern of flooding.

Soy Hulls

Both loose and pelleted soy hulls have been in high demand as fiber sources in rations have changed to be more cost effective. However, nearby soy hulls seem to be showing a little weakness as cattle head out to pasture. Also, because of continued issues with rail shipments from the plants, some producers are forced to discount their products. Keep an eye out for specials, as weekend shipments seem to show a good value.

Some soy plants are reluctant to show summer hulls prices, and if they do, it is at a premium. Some soy plants will shut down at the end of April

for routine maintenance, so expect tighter supply. Contracts are available through June for pellets, which may be a partial straw replacement, as some straw shortages are already being mentioned in Indiana and Michigan. Wheat midds may be another option and perhaps a better buy.

Gluten Feed

Gluten feed prices have also stayed very strong, both nearby and through the summer. Depending upon the weather, planting conditions and export demand, prices may be consistently high throughout summer and into fall. Wet gluten has remained the best buy on a dry matter basis, with prices remaining pretty stable. Some plants have had difficulty staying in production over the long, harsh, cold winter.

Cottonseed

With a smaller cottonseed crop and protein/fiber products in high demand, prices have continued to soar. New crop cottonseed (Oct-Dec shipment) contracts are available at a big discount to the current market. As much as 5 percent more acres are

expected to be planted this year.

Hominy

Hominy seems to be more available as the processors increase production. Contracts are being offered through July and September, even to the corn CBOT futures on an average to the farm. It's a very fine textured product and a good replacement for high-moisture corn or it can be used as an extender.

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Shutdown approaching now that winter is finally over

Soy Plant update

has been working on some cost improvement opportunities.

Now that winter finally appears to be over, at ZFS we can now turn some of our attention to preparing for spring shutdown, when we will be doing

general plant repairs and maintenance.

Shutdown will be the week of April 20. The plant is shut down twice a year – in the spring and fall – for maintenance. Otherwise, we process beans 24 hours a day, seven days a week about 360 days each year.

ZFS will not be receiving soybeans on April 21, 22 or 23. We appreciate your understanding.

It was a long, cold winter, but the employees did an excellent job of keeping the soy plant and the refinery running smoothly in the cold and keeping the customers moving in and out of ZFS.

Plant rates have been consistent over the last several months, with a good balance of production between all the different IP beans we do. The refinery has been running at a good rate also and the crew

SNIDERS: Family farm has persevered through many hardships over the years

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After the fire, Andy and Beth, who in 1991 were national runners-up for the Young Farmers of the Year Award, decided not to rebuild the dairy herd. They opted instead to reinvest and reinvent their hog operation, moving from raising about 3,500 feeder pigs annually to four times as many weaner pigs. And, based on a recently-signed, 10-year contract with Bil Mar Foods, the Sniders were looking forward to operating their rather new turkey farm.

It took some doing, but Andy finally secured the financing to build a new gestation barn and renovate the existing hog facility, and when the weather broke in the spring of 1998 the construction began. Then, just a month or so into the project, the Sniders were dealt another blow when Bil Mar announced it would no longer be purchasing live turkeys for processing in Michigan.

The Sniders were stunned and, because they had just taken on \$400,000 in debt to build the hog facility, a little bit nervous, as well.

"We dug the hole (for the new hog barn) the day we got the loan approval and started moving dirt and pouring cement. And then came the fateful day when Bil Mar made its announcement," Andy recalled. "So we didn't have any dairy, the hogs had been totally depopulated and we just started building this new facility. We had about \$100,000 into it and we got this announcement that we were out of the turkey business. That was the low of lows."

The Sniders didn't stay down for long. They had no choice but to keep pushing forward, so that is what they did.

With the help of some large producers in the state, Andy raised and

sold two flocks of turkeys to Farbest Foods in Indiana, which replaced the Bil Mar business he had lost and proved his mettle as an independent producer. That connection eventually led to Snider Farms becoming one of the founding members of the Michigan Turkey Producers Co-op, Inc., and the Sniders remain active members today.

The new facility and the change in focus from feeders to weaners turned the Snider's hog operation around as well, and within just a few years of the darkest period in its history, Snider Farms took off on a period of unprecedented growth.

"So it was like, 'Here we go. We are shifting gears.' We got the hog thing up and running ... and we were into this adventure with the turkey coop," Andy said. "We made all our payments. There was a window of time where we paid interest only for about seven months, but we made it through the low. After that, it was just different opportunities that allowed us to grow."

The Michigan Turkey Producers Co-op more than replaced the volume Snider had been doing with Bil Mar, and in 2003 the farm added a third grower barn and increased its turkey production by 45 percent. Production was doubled in 2012 when the Sniders added a brand new production facility, Airport View Turkey Farm, just around the corner from the family homestead.

Today, Snider Farms produces about 170,000 turkeys per year, all of which are certified ABF-free, meaning they are free of animal by-products and antibiotics. The production facility at the home farm is also certified organic.

The hog operation hosts about 560 breeding sows, and the Sniders sell



ZFS photo by Gary Brower

PLENTY OF POULTS: The brooder barns at Snider Farms, as well as all 170,000 turkeys the Sniders sell each year, are all ABF certified, meaning they are animal by-product and antibiotic free.

an average of 300 weaner pigs per week.

Of course, all of the birds and all of the hogs produce a fair amount of waste, which was part of the reason the Sniders began raising corn and soybeans in the first place – as a depository for the manure. About a decade ago, however, they began to upgrade their equipment and ramp up their crop production. They went from growing a combined 700 acres of corn and beans in 2005 to more than 2,500 acres this year. On top of that, the Sniders also do another 1,000 acres of custom planting and harvesting for local farmers.

"In 2005, we still had a six-row John Deere 7000 planter. We planted 700 acres with a six-row planter. We had a rainy planting season ... and it took six weeks," Andy said. "The following year we made a philosophical decision. Up until that point, we only farmed for a place to get rid of our manure. We didn't really look at cropping as a profit center. We looked at it as a necessary evil for our livestock."

"We made a decision that we wanted better machinery and there is only one way to pay for that. That is with more acres, so that's when we started growing."

And they haven't stopped. Andy and Beth's youngest son, Zack, and his wife, Priscilla, became 50 percent partners in Snider Farms at the beginning of 2014. Zack, a graduate of Michigan State University, will be overseeing much of the farm's growth into the future.

"Knowing that I was coming into the business gave my dad the incen-

tive to kind of push it, knowing that the farm was going to have to support two families," Zack said. "We've been on a steady increase of about 150 to 200 acres per year over the past 10 or 12 years. Nine years ago, we were doing less than 1,000 acres."

The Sniders rent about 80 percent of the land they farm, including 700 acres owned by a local fruit processor. In exchange for the use of the land, they manage all the wastewater from the processing plant and reuse what they can to irrigate the fields. It is a trade of farming ground for land and wastewater management.

It is an example of how out-of-the-box thinking has helped Snider Farms expand, and is indicative of the reputation the Sniders have earned as land managers in and around Oceana County. They rent ground from about 30 different landlords, but have not once solicited a piece of land.

"A lot of farmers get a bad rap for being stuck in 'This is how we are going to do it because this is how we've always done it.' I feel my dad has always challenged the system and looks for ways to make things better," Zack said. "We would like to maintain the reputation that we do a nice job farming the ground in the community. If anybody has a piece of ground available, we would like them to know that we will do a good job farming it."

"The land is where our well-being comes from. It's something that we were graciously given by the Lord and we want to make sure we treat it well."

Snider Farms got its start in Ohio

Andy and Zack Snider represent the third and fourth generations of Sniders to take ownership of the family farm.

Snider Farms had its foundation in southwestern Ohio, when Earle Snider, Andy's grandfather, began farming as a sharecropper in the 1940s.

Earle's son, Larry, ventured into dairy farming while in high school, and continued to farm in Clark County until 1972, when he moved north to Ashland, Ohio, and bought a dairy farm.

The Sniders stayed in Ashland for four years, then sold the herd and

moved their dairy north again, this time to the farm's current location in Hart in Oceana County.

Five years later, after graduating from high school in 1981, Andy joined his father full-time and bought into the operation a year later.

Larry Snider began doing business with Zeeland Farm Services in the late 1970s and the relationship has endured almost 40 years.

Today, Snider Farms annually buys about 2,600 tons of soybean meal produced by ZFS and markets its 350 acres of soybeans through Zeeland Farm Services.

CLIFF: Illogical regulations pushing the cost of doing business higher in the U.S.

Continued from Page 1

feed themselves.

As a country, and especially the ag industry, we need to work closely with the government to make sure agencies create regulations that actually affect the environment in a positive manner.

We do want a clean environment,

but what we need to guard against is government regulations that are based upon the unproven thinking of a few and only serve to increase the bottom line of the agency doing the regulating.

We are seeing more agencies hand out fines and add costs that are based on dotting the Is and cross-

ing the Ts in their paperwork, but have nothing to do with keeping the environment clean. We also have an environmental industry that seems to be more about job security than the environment. We need to remind them that if all the goods and services industries are forced out of this country, they better be

prepared to move also.

The winter was very bad this year, but take heart. In my 60-plus years of living I have seen the weather too hot, too cold, too dry and too wet, with many storms along the way. Just do what you can to be prepared for the worst and always pray for the best, because change is normal.

Unforgettable winter very taxing for Freight Division

□ Just keeping trucks on the road proved difficult

All of the stories about how much snow we used to get and how tall the snow banks used to be when we were kids can probably be forgotten. I think 2014 probably topped most of them. Hopefully our kids can all continue telling the same stories for years to come.

It is amazing what we can get used to. Plowing, shoveling and driving in whiteout conditions became the norm for about 20 consecutive days for many of us.

Waking up and driving a truck 400 to 500 miles a day in that kind of weather for that many days in a row can drastically change a person's quality of life. Thanks to all the drivers for dealing with it enough to keep products moving to and from ZFS and our customers.

It is hard to put a number on how much more it costs trucking companies to operate in the winter. A lot of us in the transportation industry like to whine about this topic, but that's probably because it is all true.

Poor fuel mileage, reduced productivity and increased maintenance are the first three factors that come to mind.

When it's really cold we have to idle engines overnight or plug the trucks in to make sure they start.

Equipment just tends to break more in extreme cold. Performing routine maintenance is even more costly in the winter. Our mechanics dread having to bring these giant ice cubes into the shop and work on or under them.

Trucks often lose money in the winter. In a year like this, our goal is

Freight update

usually to lose less than we would if we parked all of them, and to keep up with the customers' needs.

This year the poor weather conditions were more widespread than years past. That actually helped because customers in all areas were well aware of it and therefore more understanding.

For a short time, products became hard to move at any price. We experienced this first hand. While a lot of higher-than-normal freight rates were being offered throughout the industry, we could not participate because we were struggling to maintain our normal movements and were unable to accept additional work. I'm sure many other carriers were experiencing the same thing.

Now that the spring thaw is here, seasonal load limits are being enforced in nearly all Michigan counties. This creates major amounts of extra work for the dispatchers. We either have to reduce the loads or obtain special permits. Since every county is unique, it creates mountains of paperwork, as well as some confusion.

Customers can help by ordering early or working with their county to bond roads. We anticipate that load limits will last longer than normal this year and there will be a lot of products waiting to move when they are finally removed. It will likely be a busy spring for transportation and we are looking forward to it.

ZFS is hiring both full-time and part-time drivers. Although most of our driving jobs are considered over the road, our drivers are often home



ZFS file photo

TREACHEROUS TRUCKING: The winter of 2014 was memorable for a lot of reasons, but anyone in the transportation industry is glad to finally have the snow, ice and terrible road conditions in their rearview mirror.

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 onsite maintenance. Applications can be found online at zfs.com or at the ZFS administration or transportation offices.

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, hydraulics are a few of the available services. Please call Chris Laarman 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 Overway to schedule a wash.

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Seed update

March went out with a cold roar and before we knew it April was upon us.

Warm spring rains are on the horizon and field work will begin in earnest. However, due to the unusually cold weather, there have been some minor delays in processing.

Soybean seed processing was scheduled to begin the week of April 7 and shipments will be made as seed is ready. Due to current road weight limits and restrictions, your assistance will be greatly appreciated to move the seed in a timely manner.

Look for our updates on the ZFSelect web site throughout the calendar year for our grower meetings, field days, Ag Expo, exciting new product offerings and what is happening with the Bean Team.

Acres and contract opportunities are still available for the Low Sat and regular non-GMO soybeans. The Low Linolenic acre contracts are full at this



time.

Best wishes for a successful and profitable year, and as always, if you need anything, give us a call.

The Bean Team

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