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FRESH LOOK



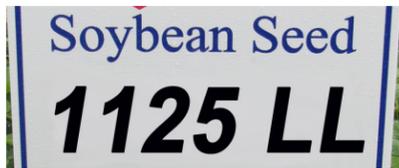
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Customer Spotlight: Precision Pork

☐ Sons of Zeeland Twp. hog farmer have followed father into the family business

Farming is part of Denny Russcher's heritage.

His grandfather was a farmer, as was his father, Glenn, who owned a dairy farm in West Michigan for many years.

Farming will also be part of Denny's legacy, as three of his four sons are following in their father's footsteps as employees of the family's Precision Pork Farms in Zeeland Township.

But their dad made certain they all came along willingly.

"I always said I was never going to push my kids to farm, but if they wanted to, I would give them the opportunity," said Denny, owner of Precision Pork and a partner in the Seldom Rest Too Farm. "There are easier ways in life to make a living than to farm. It's pretty hard. There is a lot to learn, and then on top of that, it takes huge capital to get started in farming nowadays, unless you have a father to help."

Like his sons, Denny got his start in farming through family connections. He worked at Seldom Rest Too with his father-in-law Andy Brink and brother-in-law Chuck Brink, where they raised hogs and corn together. In 1996, when the Brinks partnered



Photo courtesy of Precision Pork

FAMILY AFFAIR: Denny Russcher started Precision Pork Farms in Zeeland Township in 1996. Today, he is joined in the business by his wife, Julie, and three of their sons, Jeffery, Jeremy and Louis.

Precision Pork Farms

Owner: Denny Russcher

Location: Zeeland Twp., Mich.

Type of farm: Hog production

Employees: Five full-time

Herd: 1,320 sows

ZFS customer since: 1996

together in a hog farm of their own, Denny bought a portion of the business from Chuck and changed its name to Precision Pork.

At its operation in Zeeland Township, Precision Pork has a herd of about 1,320 sows, which each produce, on average, 26 ½ to 27 pigs per year.

"There are some guys out there that are pushing it to about 30 a year," Denny said. "I try to stay within the

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Socialism failed in Europe, will not work in USA

☐ System lacks incentives, breeds complacency among constituents

Spring? As I write this I'm thinking, "Winter has to come first right?"

We must be living right to have enjoyed such mild weather. And the Europeans who are suffering through a very cold winter, well I don't know how they are living. It looks like they are just cold and broke.

If you look at the history, Europeans were, for a long time, the richest, most advanced people in the world. So how did some of them wind up broke and so messed up?

In its early years, Europe consisted of kingdoms ruled by kings and nobles, and their people basically lived under systems that rewarded hard work, not the lazy. They rewarded people who produced the goods and services others valued and were willing to purchase.

Even most of the kings, and in later years the governments, had the common sense to protect their people as best they could, while keeping tax

Cliff's Notes

Cliff Meeuwssen is president of Zeeland Farm Services, Inc.



rates reasonable and their hands off the system under which people worked.

So what happened to them, and why are so many countries in Europe in financial trouble? Well, if you look closely at many of the countries that are struggling or going broke, there is one thing they share in common: Socialism.

Socialism seems to come about when people do such a good job of creating wealth that their governments find ways to redistribute that wealth, hoping to either provide for those who did not earn that wealth or to facilitate some social cause valued by some, but not all.

That works okay for a while because it is usually intended to help the sick and suffering, or

just a good cause. As time goes by, the programs expand and the people who run those programs gain power. Soon, they end up helping the lazy and the few at the expense of the many.

Which brings us to why that system will always lead to dishevelment and bankruptcy.

It happens when people get the idea they don't have to work because the government – i.e. the working people who pay into the system – will take care of them. The folks who work and pay in then get the idea that it does no good to work because somebody else is going to get what they work for.

Well, that is the beginning of the end for any nation.

Let me give you an example of how it works.

An economics professor at a local college made the statement that he had never failed a single student, but recently had failed an entire class.

That class had insisted that socialism worked because no one would be poor and no one would be rich. It was a great equalizer. The professor than said, "Okay, we'll conduct an experiment on

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Feed Ingredient Options

Drought in S. America effects U.S. soy market

Soybean Meal

Soybean meal has seen more support over the past few weeks as there have been several reports of production problems in South America due to drought in the south and heavy rains in the north. Other commodities are following soybean meal in the Wisconsin market, but demand has been somewhat questionable. The market is a bit on and off, as many customers have been reluctant to book forward.

Dry Distillers Grain

The impact of slower ethanol products has some concerned about how much is going to be available and at what price. Hence, DDGS are selling at a strong price, as many customers have looked at purchasing other mid proteins and are finding gluten feed to be a better buy. Exports to China have also resumed, which is a sign that prices will stay firm versus competing ingredients.

Cottonseed

Cottonseed prices versus other ingredients like soybeans, corn and even DDGS, have slipped at least 15 percentage points. Abundant supplies of cottonseed, as well as imports of Australian seed into the West Coast, have made this product fit into rations across the country.

Cottonseed has not been available at these levels in more than five years



ZFS file photo

ALL DRIED UP: Drought conditions in South American have hampered soybean production, effecting the prices of soybean products in the United States.

versus other competing products. New crop cottonseed is trading at a \$40 per ton discount to spot values and offers a good opportunity for end users to cover a 6 to 12-month feeding period on the product.

Please call us for spot and forward quotes. We now have this product on hand at all of our rail and barge terminals in the Midwest, with ample inventories to meet your needs.

Soy Hulls

Soy hulls are being pressured somewhat as there has been limited demand. Roughage will continue to be tight until spring. All wet products have remained steady, with exception to a few dryer outages.

Canola Meal

The Canola market has loosened up quite a bit over the last several weeks. The market went from no offers to everyone having an offer. Feed demand for protein feels relatively weak and basis values should back off as we move into spring and summer.

Hominy

Processors are still slightly oversold for February, but as we move forward, offers are loosening up and values are dropping relative to corn values. Most farms in Michigan, Indiana and Ohio should see a good spread relative to ground corn, which will make hominy work in the feed ration.

Corn Gluten Feed

Corn gluten feed remains a good value versus corn and dry distillers grains. There is very limited interest from domestic markets, though the spot price is hanging right around 60 percent of the price of corn, considerably less than past years.

Export demand has waned and has ceased to regain the foothold with 18 percent that it has had over the past five years. Wet corn gluten has remained at a premium to dry through the winter months, but typically has given up that spread as we head into spring and summer.

Processors are holding summer prices firm with the hope of exports or the southern regions coming to the plate.

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Redesigned Zoye bottle hits shelves

Ingredients and flavor of premium low sat vegetable oil remain the same

The launch of Zoye Premium Low Sat Vegetable Oil's new packaging is proving to be a success. By now, the shelves at most Meijer and Spartan Stores (D&W and Family Fare) have been stocked with the new bottles and much interest has been shown by consumers. Be sure to look for the new and improved packaging in a store near you.

For our customers on the east side of the state, Zoye is now being sold at Whole Foods. We are continually looking for new retail locations in which to sell Zoye, making it easier for consumers to find our product. The more Zoye we sell, the more acres of non-GMO soybeans we will need grown, which means more premiums for Michigan farmers.

We will be handing out samples of Zoye at our grower meetings. Samples are also available here at ZFS, so stop in to pick up a sample and try the locally-grown,



ZFS file photo

NEW LOOK: The redesigned Zoye bottle is now on the shelves in all Meijer stores throughout the Midwest and in Spartan and Whole Food stores in Michigan.

locally-processed oil to which you, our valued customers, have contributed. At ZFS, we are dedicated to promoting Michigan-grown products to help support our farmers.

Like the bottle, our Zoye website has been recently redesigned. Be sure to check out www.zoyeoil.com for healthy recipes, upcoming contests and more.

You can also find us on Facebook at www.facebook.com/zoye.oil. Become a fan and be sure to watch for upcoming giveaways.

SPOTLIGHT: Precision Pork Farms

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top 10 percent and I'm okay with that."

The farm has five full-time employees, four of which are Russchers. Along with Denny are sons Jeff, 27, Jeremy, 25 and Louis, 20. Joaquin Olvera has been working full-time at Precision Pork for more than a decade. Denny's wife, Julie, also works part-time for the business.

Denny said Jeff has always wanted to farm and went to Michigan State University to study agriculture before returning to the family business.

Jeremy studied to become a plumber, but when the economy slowed and construction came to a standstill, he found work on the farm as well.

Today, the older brothers are partners in J & J Russcher, which handles some of the pig finishing for Precision Pork.

At Precision Pork, 600 to 650 pigs a week are weaned and sent to finishing. At about 285 pounds, the pigs are transported to either Tyson Foods

"I always said I was never going to push my kids to farm, but if they wanted to, I would give them the opportunity."

Denny Russcher, Owner Precision Pork Farms

in Logansport, Ind. or Indiana Kitchen, in Delphi, Ind. for slaughter. Denny said the farm runs three or four loads to Indiana each week.

Denny has been a Zeeland Farm Services customer since he first became part of Seldom Rest Too in 1980. Today, Precision Pork buys 30 to 35 tons of soy meal a week from ZFS, most of which the farm transports itself.

"I remember hauling wheat to (ZFS) way back when. I remember Cliff (Meeuwsen) was in that old, dark office there," Denny recalled. "We are real happy with the meal. We are only six or seven miles away from (ZFS), so we can get a load of meal real quick if we need it."

Specialty Oils Division

Robb Meeuwsen 800.748.0595

Even a mild winter can take a heavy toll on fleet

❑ Heavy machinery prone to break down when the weather turns cold

We have enjoyed a very mild winter here in West Michigan, but there is no doubt we will pay for it somewhere down the line.

Operating trucks in the winter is rarely profitable, but it's necessary to keep our customers' products, as well as our own, moving. Trucks and other heavy equipment tend to break more often and are less efficient when the weather is cold.

An average snow storm can really wreak havoc on the entire operation. My favorite winter storms are those that fall on the weekends, when a good portion of our trucks are nestled safely in the parking lot. I'm sure most of our drivers would agree, but all of our kids would strongly disagree with me on that.

All of the freight areas have enjoyed a consistent workload so far this winter. Everything from grain, feed and soybean oil, to general freight and industrial products, seem to be moving at near full capacity. Trucks and trailers, along with

Freight update

almost all other costs involved with owning them, are increasing. We're always looking for ways to improve efficiency so we can continue to offer competitive rates.

Another challenge we face this time of year is dealing with spring road restrictions. Since we have had very few days below freezing and very little frost in the ground, we were hoping maybe this year the restrictions wouldn't be enforced. As it turns out, some counties have put the restrictions into effect already and they will remain indefinitely. Since every county has different rules, exceptions and forms to fill out, it creates a lot of extra work for the dispatchers. We ask our customers to help us by arranging what they can with their individual counties. We also ask that they be patient with us during this difficult time of year.

Fuel prices have remained around \$3.60 per gallon for several months. Trucking companies are continually looking for ways to burn less fuel, and slowing down and reducing idle time are still the most effective.



Gary Brower photo

READY TO ROLL: A Zeeland Freight Services rig eases out of the yard in Zeeland during a recent snow storm. Despite the mild weather, winter has taken a toll on the ZFS fleet, keeping the mechanics in the garage busy.

Our drivers play the most important role in providing the best customer service, and Zeeland Freight Services is always looking for part-time drivers. Full-time positions are limited, but we continue to interview when positions become available. Employment applications are available online and at the ZFS operations

or administration offices.

We continue to upgrade the fleet and will soon have a couple of used trucks and trailers for sale. All of our equipment is well maintained from start to finish. Please call Kurt at (616) 748-1850 if you are interested or have questions about used equipment.

Transportation Division

mi-freight@zfsinc.com

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Jamie Andrews, Tanks & Containers.....	800.968.4507
Chris Laarman & Travis Overway, Garage & Wash Bay	800.748.0595
Jeff Griffith, Florida Transportation	888.826.6809

New cooling tower will increase soy plant efficiency

Soy Plant update

We continue to have a strong inventory of soybeans for processing this year and, at times in January and February we were operating at maximum storage capacity.

Demand for meal has held strong and allowed us to run at near full speed most of the time. This drives us to continually look for new ways to make the plant more efficient and eliminate potential limitations to maximum production ability.

During spring shutdown in April, we will be addressing one such area by installing a second water cooling tower. The additional tower will help increase our solvent recovery ability, especially on hot, humid summer days. We will also be addressing several preventive maintenance items during the three or four days of shutdown.



ZFS file photo

QUALITY CONTROL: The employees in the Zeeland Food Services Inc. oil refinery have been working toward a transition to Safe Quality Food (SQF) policies.

past few months. A closer look into the many segments that make up SQF reveals that the pro-

gram spider webs into many areas within those segments. That in turn leads to more issues that need to be addressed, so it can be a complicated process.

Once a segment is complete, the training can begin. Training will involve multiple layers of employees throughout Zeeland Farm Services.

As we work through the SQF process, our food security has been ramped up quite a bit. The refinery is now more secure than ever, and there is talk of additional items to make it even more fail proof.

We have also had several consultants visit ZFS to help us along the way and to ensure the things we have done are correct. Additionally, the consultants are making sure we are staying on track as we move forward.

Though we feel our quality standards are set high already, we will likely be moving into Stage 3 of SQF once we have completed Stage 2 and have passed the audit. Stage 2 focuses on food safety and setting up standards that make sure our food product are safe for the consumer. Stage 3 incorporates the quality aspect into the mix and makes it as high a priority as food safety.

Refinery update

At the refinery, we have been slowly transitioning to Safe Quality Food (SQF) policies over the

CLIFF: Socialism the common bond among many failing European countries

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on Socialism in this class.”

He told the students all grades would be averaged and every student would receive the same grade, so no one would fail and no one would receive an A. He substituted grades for dollars, something closer to home and more readily understood by all.

After the first test, the grades were averaged and everyone got a B. The students who had studied very hard

were upset, but the students who studied little were happy. By the time the second test rolled around, the students who studied little had studied even less, and the students who had studied hard decided they wanted a free ride, so they also studied little. The second test average was a D, and no one was happy. When the third test came around, the average was an F.

As the semester wore on, the scores never increased. The bicker-

ing, blame and name-calling resulted in hard feelings, and no one studied for the benefit of anyone else.

To the students' great surprise, all of them failed the class. The professor then told them socialism would also ultimately fail, because when the reward is great, the effort to succeed is great. The results are jobs and opportunities for all.

But when the government taxes and regulates away the rewards, it

diminishes the number of people willing to create jobs and risk money.

My questions then become: Did you ever get a job from a poor person? And, if we are all poor, who is going to pay the federal government's tax bill?

The college students failed their big test. The people of the United States have a bigger test coming in November.

How will we do?

A publication of Zeeland Farm Services, Inc.®

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To sign up for e-mails with the latest ZFS news and the markets, visit www.zfsinc.com/emailsignup.

Market Sensitive Reports

- March 9
USDA Crop Production
- March 30
USDA Perspective Planting
- April 6
CBOT closed
- April 10
USDA Crop Production
- May 10
USDA Crop Production

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Crop estimate could push corn lower

Market report

□ March 30 USDA crop report likely to create ripple effect in commodities market

We usually begin the article in the spring newsletter by saying winter should be ending soon, but have we even had winter yet?

Frost weight restrictions were put in place in some counties in early February and, like most years, will remain in effect through March, and possibly into April.

Unless you live on a Class A road, or have a permit, please remember we cannot haul grain to or from your place until the weight restrictions are lifted. If you are unsure, give us a call and we can check if the restrictions are in effect for your address and if your home county will work with us to get your grain moved. We may need to get a permit, or haul in smaller loads.

The biggest question facing the grain markets is: What will the USDA estimate crop acres to be when its Perspective Planting Report is released March 30? Early estimates are that we could see close to 95 million acres of corn. If all those acres get planted, we could see a considerable drop in prices.

Margins at ethanol facilities

have been pretty lean recently and could effect the corn they grind, or it could lead to some plants going idle if the current trend continues.

There is about a \$1 difference in corn prices from now until new crop. If you haven't already locked in some corn, we recommend you get some targets in and be prepared to lock in profits when they present themselves.

We also recommend getting some new crop soybeans locked in for the 2012 crop. For the first time since September, soybeans broke the \$12 mark in February. There are so many unknowns in the market, and even if bean prices continue to creep a little higher, is it such a bad thing to have your first sale at the \$12 level? That should be a profitable price for everyone.

Look at it this way: If you locked in some bushels at \$12 and soybeans do go up to \$13, you would be disappointed. However, most producers would be angry if they passed up the opportunity to secure sales at \$12, prices fell to \$10 and they lost \$2 per bushel.

So ask yourself, would you rather be disappointed or angry?

We still think you should grab your unpriced meal as you see

drops in the markets. Most feeders have a substantial amount locked in and contracted, but for the small percentage who are using the spot meal market, give us a call and we can assist you in getting a reasonable price locked in.

Also, keep in mind that the 2011 Michigan soybean crop has rewarded us locally with very good protein in the soybeans, which has allowed us to produce a higher protein percentage since harvest. We have a guarantee of 47.5 percent, but have been consistently above 48 percent.

We believe communication – including being aware of ZFS' cash and future prices – is vital for today's farmers.

You can always reach us by phone or by e-mail, or you can visit our website at www.zfsinc.com and click on the "Grain Bids" tab.

When you visit our grain bids page you can sign up to receive our cash bids e-mail, which is sent out daily at about 4:15 p.m. In this daily e-mail, we post important information regarding hours and events at ZFS, as well as closing bids.



ZFSelect releases new bean variety

The Bean Team at Zeeland Farm Services is excited to unveil a new non-GMO soybean variety, which will be available for the 2012 growing season.

The newest member of the ZFS lineup is ZFSelect 1125 LL, a low-linolenic bean that features the latest genetic technology, including higher fitofera and disease ratings. With a maturity rating of 2.5, the 1125 LL develops later than our 823 LL and earlier than the 728 LL, and we feel it is a great complement to the low-linolenic line of beans already offered by ZFSelect.

ZFS will be paying producers a \$2 premium for the 1125 LL and acres are filling up fast.

The Bean Team

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