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**THE ZFS**  
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# Agrisource

Zeeland Farm Services, Inc.®

Winter 2011

## Cliff's Notes

By **Cliff Meeuwsen**

We had a great fall harvest. The crops were harvested in a timely, though a bit drawn out, manner, but for the most part, the producers had great yields.

With our increased storage capacity at Zeeland Farm Services (ZFS) we were able to unload trucks very well. If grain producers did have to wait, we thank you for your patience.

The prices for both corn and beans held up well. Did anyone imagine they would get \$11.50 to \$12.00 per bushel for beans and \$6.00 for corn at harvest? They were the highest prices at harvest I can ever remember.

With the cost of growing, harvesting and ZFS processing a crop, it takes a lot of capital to get a crop to market. It's a good time to have a very good relationship with a bank that understands the ag business.

## What's Happening at ZFS



Speaking of capital, there is another form of capital we in the ag business especially need: people capital. There are a lot of crop growers and other ag businesses that are short of good, experienced people.

The ag businesses that will survive, and even thrive, are the businesses that hire good people when they are available. Not just when they need help, but again, when talented people are available.

If you are willing to hire them, be sure to invest time and money to train and give them the experience they need to succeed. Then, as your business needs grow, you will have good people ready to grow

with the business. We all know the old saying that a business not ready to take advantage of growth opportunities will end up going backward in a hurry. Business changes very quickly, and we need to get in front of those changes. To do that, the ag business will need the right people trained and ready to go.

At ZFS, we will always strive to have great people to serve you and your family. Just as we grew our storage capacity to serve you, we will continue to grow with you as your business grows. We thank you for the opportunity to serve you and your family, and we will strive to earn your business at every opportunity!

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# Values

for more than 60 years

Values are at the heart of everything we produce and everything we do. We produce premium products that are closely monitored from beginning to end, and we are committed to offering products that are healthy for you and your family.

## Employee Recognition

Anniversaries

### Elevator

Bruce Top...9  
Wade Berens ... 8

### GA Ingredients

Elizabeth Ekkel ... 4

### Dispatch

Jamie Andrews ...11  
Michael Keeler ... 19

### WI Ingredients

Kevin Larson ... 4  
Je O'Leary...4  
Breja Fink...1

### Finance/Accounting

Brian Terborg...15  
Carl Nitz ... 6  
Lisa Roelofs ... 5  
Kathy Repp ... 4  
Barb Trethewey...1  
Judy Timmer ... 1  
Nancy Caren ... 1

### Seed Division

Dan Bailey ... 5

### Soy plant

Terry Top ... 8  
Dale Mast ... 6

### Grain

Je Johnston ... 10

### Transportation

omas Lucas...24  
Sco Coombes ... 10  
Craig VanderWoude ... 9  
omas Smith ... 7  
Rick Cherry ... 7  
Edward Ditch ... 6  
Tim Pa erson ... 6  
Don Alferink ... 4  
Adam Johnson ... 4  
Paul Sturdavant ... 4  
Michael Becksvoort ... 2  
Kenneth Cope ... 2  
Olin Gilbert ... 2  
Angela Sabin ... 1  
Daniel Co man ...1  
Rodger Dirkse ... 1

### Garage

Rick Nyenhuis ... 34  
Jerry Reinink ... 2

Dax Williams  
Transportation

Brian Dierberger  
Seed Division

Michael Pikaart  
Transportation

Howard Christensen  
Transportation

Who's New?

Jessie Oostveen  
Wash Bay

Don Lewis  
Dispatch

Eric Houle  
Wash Bay

John Noel  
Transportation



The ZFS Agrisource is published quarterly by ZFS for customers and employees of ZFS.

Editor: Gary Brower  
616.748.1872

All questions or suggestions for future articles should be directed to ZFS' marketing department.



# Market Report

First of all, we would like to thank all of our ZFS customers for a smooth 2011 harvest. The new 700,000 bushel bin gave us the opportunity to keep the dump pits open almost all harvest. Another pat on the back goes to all the specialty soybean growers for their management and communication between drivers and the people at our scale, which helped avoid any problems or delays.

As far as marketing goes, we would first like to start out by saying this: Don't get hung up on prices you could have had, but look toward the future and address marketing decisions that will make you and your farming business a success. We are dealing with a world market, and with economic troubles in the European nations (namely Greece), we need to be aware of what is happening everywhere, not just in our own back yards. As Europe

continues to struggle and currency devalues overseas, our U.S. dollar is rising and gaining strength.

Our exports have struggled to meet expectations over the last few months and this could continue if we see this currency ratio linger. We came into the 2011 harvest with very tight supplies and a crop that has struggled to produce what we need it to produce. However, if our supply and demand balance tables get adjusted, and our carryover numbers go up, we could continue to see prices drop as they did during the last part of November.

The next thing we need to focus on is the 2012 crop year and getting some coverage locked in as part of your risk management program. Although tight supplies have driven these grain prices up over the last year, one must remember that

we could possibly be only one crop year away from sub-\$4 corn and sub-\$10 soybeans.

If the U.S. farmers produce the size of crop they are well capable of (pending Mother Nature cooperating) and we have a bumper crop in South America, these lower prices could be just around the corner. After all of this terrible news (unless you are a feeder), we do have to remember that we are only one rumor, one drought, or even one Greece bailout away from these markets recovering the losses we have seen. In other words, expect the unexpected, have target orders in place to lock in profits and grab some coverage when we see these big swings.

We do most of our merchandising over the phone with growers and end users, but if you ever want to stop in and see us, feel free to do so. We welcome you at any time. Just give us a call ahead of time at (866) 888-1839 so we can set aside some time when we are free to talk.

If you can't get to ZFS, we will do our best to stop by your farm or meet you somewhere. It's always nice to put a face with the voice on the phone.

## Market Sensitive Reports

**Dec. 26**  
**CBOT closed**

**Jan. 2**  
**CBOT closed**

**Jan. 12**  
**USDA Crop Production**

**Feb. 9**  
**USDA Crop Production**

**March 9**  
**USDA Crop Production**

**Contact**  
Kurt Bergstedt  
Je Johnston  
Service

**GRAIN DIVISION**  
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grain@zfsinc.com



# Feed Ingredient Options

## Corn on Seed

Corn harvest is pretty much completed and ginning season is coming to a close in most areas. The season was shorter than normal because of lower than expected yields, as well as very dry conditions during harvest, which allowed ginning to take place at higher than normal rates.

This has allowed the corn on seed to be nice and dry, which means the product will store very well for the rest of the year. The price of corn on seed has followed other products lower in recent weeks and is a pretty good value considering hay and fiber prices around the country. Once ginning is completely done, we expect corn on seed to begin to trade higher because of tight fiber markets in the southwest.

If you are feeding the product, it might be a good idea to have your forward needs covered. Right now the product can still be contracted through the summer at \$100 less per ton than the highs that were set last summer. Call us for forward pricing opportunities.

## Soy Hulls

Soy hull values have begun to follow corn down with good supply available. As warmer temps continue in the South and East, it's allowing more grass and grazing time for cattle and less demand for soy hull usage. Take advantage of breaks in the market to cover your needs.

## Distillers

The Midwest market for DDGS has been

pretty stable, even though corn has seen a recent decline on the Chicago Board of Trade. Export sales are very steady and ethanol plants continue to run at near capacity, with above average margins and blending credits holding through the end of the year. Forward contracting numbers are available through March, but very few offers are seen beyond the start of summer.

Wet and modified distillers have stayed strong, with little movement upward. Most plants are drying to capacity and making wet to order. Looking ahead to December and January, DDGS seem to be extremely tight and prices seem to remain quite firm. The export capability takes the supply and demand game out of the hands of the ethanol plants and leaves the local market paying a consistently higher price for this product. However, if soybean meal and corn continue to fall, prices for DDGS and other competing mid-range proteins should follow.

## Canola Meal

Canola remains high in the spot market in Michigan due to high oil supplies and reduced crush capacity. Spreads between cash soymeal and canola at price are as narrow as \$50 delivered to some areas. Look for values to improve as we move into the new year. However, if canola seed supplies remain low, meal supply will remain tight.

## Hominy

The processor is still tight for November, but values should break in line with corn.

## Ingredients Division

Spread with ground corn should return to a \$10 to \$15 discount by mid-December.

## Citrus Pulp Pellets

Citrus season is under way and first cars began to move in late November. Values to the farm are as low as \$245 delivered.

## Corn Gluten Feed

Corn gluten feed values remain stable, even with corn futures retreating as of late. Forward sales, combined with high seasonal demand, seem to be holding a floor underneath the market with virtually no wet gluten for sale anywhere in the Midwest through the end of the year. Deferred dry values could retreat if the dollar continues to improve and corn falls much further, near the \$5 bushel mark.

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Georgia Office..... 888.281.1003  
Ray Williams • Noel Kenney

All Billing Inquiries..... 866.888.7082  
Bentley Kollen • Janie Gonzalez  
Michele Hall • Sandy Tryon



# Freight Update

We say this every year, but it's amazing how cold 40 degrees feels in November, compared to how it feels toward the end of winter. This is about the time of year when we are suddenly reminded of the effects the cold weather has on items that contain moisture.

As I write, we are nearing the end of what has been a rather drawn out harvest season. 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 those few weeks. Please let us know how we are doing and what we need to do better.

Controlling costs is always a major topic when it comes to transportation. Fuel prices are always a major concern. Finding ways to burn less and pay less for it is a priority for any trucking company.

Tire prices are the most recent topic of discussion, with prices increasing as much as 50 percent in the past 10 months. Most of us will likely have sticker shock when we purchase our next set of tires for our personal vehicles. Just remember, the price tag to replace all the tires on most multi-axle trucks is around \$15,000.

Good driving habits are the best way to save both fuel and tires. We have noticed some major improvements at ZFS and hope it becomes contagious. It seems that more of the general public is catching on to efficient driving techniques. Some may argue, but I think even average drivers are realizing that it costs money when they jam on one, or sometimes both, of those pedals on the floor of their vehicle.

Our drivers play a very important role in providing the best customer service and

# Transportation Division



controlling costs. ZFS is always looking for part-time drivers. Full-time positions are limited, but we continue to interview in the event positions become available.

Applications are available online at [www.zfsinc.com](http://www.zfsinc.com) or at either the ZFS transportation office or administration office.

### Equipment for Sale

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

### Maintenance Garage and Wash Bay

Our maintenance shop is open 24 hours a day, Sunday 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 work are a few of the available services. Please call Chris L. for an estimate at (800) 748-0595.

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 at (800) 748-0595 to schedule a wash.

## Contact

Greg VanderWal and Don Lewis  
 Mike Keeler and Jill Barnes-Caudill  
 Jamie Andrews  
 Chris Laarman and Travis Overway  
 Je Gri th

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 800.968.4507  
 800.748.0595  
 888.826.6809



## Specialty Seeds

After a busy, challenging, exciting summer, we are now turning our focus to what will make our profits grow in 2012.

At a glance, we experienced a challenging spring with a wet, cool May and late planted beans and corn. A hot, dry July, followed by timely rains throughout August, helped late grain development for soybeans and corn.

Fall harvest was steady, with yields above expectations. As the harvest comes to a close, I would like to share our thoughts on soybean profitability for 2012.

- **Max Capacity:** Get your resources aligned, starting with the soil fertility. Have the soil tested for the crops being planted. Don't be afraid to stretch your yield goals.

- **Cost Control:** While you can't control weather, you can make a significant number of decisions to impact costs. Know your input costs and lock in profits with current market pricing.

- **Grain Marketing:** Work with a knowledgeable grain merchandiser at Zeeland Farm Services, Inc. Target pricing, cash bids, forward contracts, hedge-to-arrive, basis or options are all tools that can be used to maximize profits.

- **Crop Protection:** Once the seed is planted, have a plan in place to manage the weed program for maximum yields. Attend the ZFS winter grower meetings for the latest updates on herbicide options for weed control. Also, work with your local ag retailer for scouting and the best herbicide recommendations for suc-

cessful weed control.

- **Managing Risk:** The number of tools and products for managing physical, price and profit risk keeps expanding. Attending winter meetings will help with those decisions.

- **Seed Selections:** Scientists pack a lot of clout, as well as yield power, into the seed. Seed attributes now influence many decisions in production practices.

Identity Preserved market opportunities at Zeeland Farm Services offer the grower many options for increased profit per acre.

### Contact

THE BEAN TEAM

Dan Bailey, CCA..... 616.437.3961  
 Brian Dierberger..... 517.490.4216

## Soybean Processing Plant and Refinery

### Soybean plant

We made it through yet another harvest season rush. This year's harvest was a little more drawn out than previous years, given the wide window of planting days and a few scattered wet and rainy days during harvest. From what I've heard, it sounds like most of you had a slightly above average crop, for which we should all be thankful. A good crop pushed our storage at ZFS to capacity at the end of harvest, even with our expanded on-site storage.

So far, this year's crop has produced a little higher protein, which benefits our meal customers. However, oil yields thus far have been a little lower, which puts a little

pressure on our margins, as oil makes up a significant portion of that margin.

We will be spending time this winter looking at efficiencies of the processing plant and examining areas within the system to possibly improve or update.

### Refinery

Since the terrorist attacks on Sept. 11, 2001, the demand for food safety from the food market has become much more stringent. In response, at ZFS we are moving our current food safety program toward the Global Food Safety Initiative (GFSI) benchmark.

There are several programs that fall under GFSI, but the one we are putting our efforts into is Safe Quality Food (SQF).

Though we already have a food safety program, it is going to take a lot of time and effort to make sure we put the right programs and procedures in place to meet SQF requirements.

The quality of oil from this year's soybean crop is looking very good so far, though we don't seem to be pulling very much oil from the beans. When the oil runs well it makes it easier to focus on other things within the plant. Food safety has taken up a lot of our time lately, but we continue to look at ways to improve our efficiencies and quality.



www.zfsinc.com

## Specialty Oils Division

### ZFS announces new packaging for Zoye Premium Low Sat Oil

We are proud to unveil a new look for the same great product you have come to love: Zoye Low Saturated Fat Vegetable Oil! You will be happy to know that you'll be getting the same great product that we have always brought you, but with an updated package.

And since there won't be any changes to our product, you will still be getting a non-GMO, low saturated fat oil loaded with Omega 3 & 6 and Vitamin E, made with renewable energy!

Look for the new bottle on shelves of Meijer, D&W and Family Fare stores soon!

Also, sign up for our monthly e-mail at [www.zoyeoil.com](http://www.zoyeoil.com) to start enjoying healthy, delicious recipes featuring Zoye!



**Contact** SPECIALTY OILS  
 800.748.0595  
 Robb Meeuwsen [specialty\\_oil@zfsinc.com](mailto:specialty_oil@zfsinc.com)



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- Meet former Detroit Lions defensive tackle and two-time Pro Bowl player Luther Elliss and find out how Michigan schools are creatively implementing Fuel Up to Play 60 to increase dairy consumption in their districts
- Find out the latest trends in global dairy production from Tom Suber, President of the U.S. Dairy Export Council
- Examine the latest in facility designs and improvements from experts Paul Anderson and Curt Gooch and hear from several Michigan producers about what they're doing
- Learn how to determine the value of a pregnancy from University of Florida reproduction and economics expert Albert DeVries
- Discover why managing labor is the cornerstone of a dairy operation from two Colorado dairy industry labor management experts
- Attend your choice of Friday afternoon workshops: labor management, connecting with the public, and determining the economics of a pregnancy

If you would like to support the Oawa County  
Farm Preservation Program, please send donations to:  
e Community Foundation of the Holland/Zeeland Area  
70 West 8th Street, Suite 100 A n: Maria Holland, MI 49423  
Please designate in Memo: Oawa County Farm Preservation Program

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