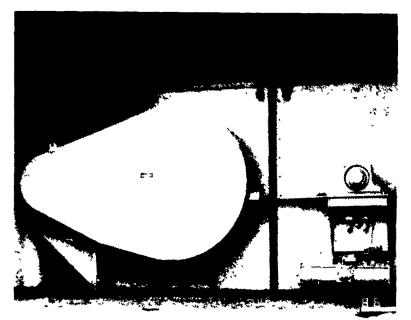
Inside Of New Pennfield Feed Plant Shown For First Time



New near infrared antilizer allows Pennfield to get farmers feed analysis reports out in one to two days.



Two 4-ton horizontal mixers provide 90-ton per hour capacity.



These photos of the new Mount Joy feed production facilities were among the pictures shown for the first time to a producer group at the Pennfield Dairy Day held here Tuesday at the Farm and Home Center. The plant, called the most modern mill in the world by industry experts, will feature five computers, 110 ingredient bins, two 4-ton mixers, three pellet mills, automated bagging, pelleting, receiving, routing, packing and bulk load out.

The new plant, scheduled to come on line in January, has a 90-ton per hour capacity and brings Pennfield's total production capabilities up to 800,000 tons annually.

Doctor John Fidler, Pennfield's manager of quality control and nutritional services, told the group of dairymen that this highly computerized facility solidifies Pennfield's leadership position as the largest Pennsylvania based feed manufacturer. "The mill is designed to accept any future technology, advancements and innovations so we can immediately build them into the feed plant and make them available to our customers," Fidler said. "By combining modern manufacturing procedures with continually upgraded, nutritional standards, we can develop feeds for the producer of meat and milk and other foods at the very best possible cost. Building this mill is our way of showing our commitment to the current strength and future growth of our area," Fidler said. "We have dedicated quite a bit to the construction of this mill. That will give you a feel for the degree of confidence we have," he said.



Residue monitoring equipment used to screen for pesticides and PCB's.

Dairymen Hear Facts About Production Costs

LANCASTER - At the Pennfield Dairy Day held here Tuesday, Don Mahlandt, manager of Dairy Feed Sales, likened feed companies and farmers to each other. "I believe the only feed companies that will stay in business will be those that know how to produce cost-effective feeds. Just like the farmers who stay in business will learn how to produce cost-effective milk," Mahlandt said. "I believe the day of government support for dairying is over. And the same thing is true for row crop and forages. That stall in your barn is



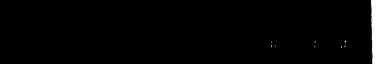
Conveyor at bottom of bin hopper leading to electronic scales.

where you get your income. So if you replace a 16,000 pound cow with a 14,000 pound heifer it's going to cost you some money," he said. "The cost of feed is part of the cost of production. It's not some company ripping you off."

"Often the cost of farm land and the overhead in machinery is what's running the farm into the ground. You must look at the cash flow to determine the profitability of the production facility. Land is a long-term asset and you can't eat assets," Mahlandt said.

Mahlandt had done the cost analysis for a 60-cow herd, a 40cow herd and a 100-cow herd to prove that with proper management dairying can be profitable.

In the afternoon program, Dr. Fidler returned to the podium to discuss the needs of the dairy cow. "We need a ration that optimises



Horizontal conveyors leading away from an ingredient bin hopper to the electronic scales.

the fermintation process in the ruminate animal," Fidler said. "The best feeding program provides a variety of protein sources and energy and contributes to optimising the fermintation process. An optimum forage program is what we all want to achieve. The forage program establishes the upper limit on your herd productivity," he said. "Other firms may mislead you and say they can balance any forage but they can't do it. You need to recognize the fact that there are limitations on what can be done to balance a forage

program. We often think we have changed the cow so that she is a lot more productive than when we first started with her," Fidler said. "In fact we have changed her through genetic selection so that she can respond better to the types of feeds we have to give her. But we haven't changed the basic physiology of the cow. She's been created a ruminate. The good Lord put her on earth to be a go between plants and animals. Simple stomach animals like we are cannot handle the complex carbohydrates that a ruminate can. So

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