

Networking Opportunities Exist For Pork Producers

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Lower-than-expected cash hog market prices during 1994 forced many pork producers to review and analyze their operations. Not only were short-term concerns important, but producers also pondered future production considerations.

Indeed, all U.S. pork producers were affected in some way by the downturn in market prices. Yet some producers across the country faced the economic situation as groups rather than as individuals. These producers were members of producer networking groups.

What is networking? It is the 1990s term being used in the pork industry to describe business arrangements between producers. In some cases, it also involves arrangements between pork producers and ag suppliers.

"Producer networks are being established throughout the United States," said Earl Dotson, director of producer education for the National Pork Producers Council (NPPC). "The types of networks being formed by producers range from seedstock and feeder pig production, group marketing, purchasing, to information-sharing."

Producers with similar long-term business goals are coming together and forming networks, said University of Missouri ag economist Dennis DiPietre. "Networking in the pork industry is gaining access to those resources which are needed for your success, but are not in your own capability to provide," said DiPietre.

A producer must decide if a given network group fits his particular operation. "Just because it (the network) works by itself or it works for your neighbor doesn't mean it will work in your operation," said Iowa State University Extension livestock economist John Lawrence. Each producer has different needs, different strengths and weaknesses, and different financial abilities, Lawrence said.

Networking is a viable alternative for some, but not all producers, said Lawrence. "And it is not a substitute for good management. It is disciplined management because you have someone else looking over your shoulder," he said.

"I think the role of networking on the horizontal level can help producers networking both their assets, their information, and their abilities into production systems that are going to be competitive and will make sense in the future," said Jan Schuiteman, DVM, president of Pro-Edge, LTD., in Sioux Center, Iowa. Schuiteman has been involved with networks for nearly seven years.

"We actually started networking before networking was popular," he said. Schuiteman works with networks in northwest Iowa that range in membership from four to 15 producers, and are involved with activities such as centralized breeding, group purchasing, coordinated marketing, and knowledge management.

Leadership is a crucial element in a networking group. Lawrence said a group's leader may be one of its members, or it may be someone from outside the group, such as a veterinarian, lender, accountant, or local input supplier. Whomever is selected, the leader is one of the

major keys to a group's success.

Linden Olson, a crop and pork producer from Worthington, Minn., suggests having someone outside of the network group serve as the leader if no one within the group has the time or the expertise to lead.

Olson belongs to Green Prairie Coop, a gilt multiplier cooperative in southwest Minnesota, that has about 70 members. All members of the cooperative contribute corn, but not all members are pork producers. The group benefits from adding value to locally produced corn, he said.

The benefits of networking, said Lawrence, include capturing resources that would not otherwise be possible by working alone. Some of the possible benefits and real economies that may be captured by producer networking groups, depending on the type of group, Lawrence said, include obtaining proven technologies, access to information, selling market hogs in semi-load lots, using segregated early weaning, or volume purchasing of inputs.

"We have to realize that some of the benefits these networks are going to receive are not financial," notes Olson. "The benefits may be seeing more of the people in our community working toward a common goal and viewing each other as friends in a venture to keep our communities stronger."

Networks do have limitations. For one, a networking group requires committed members, said Lawrence.

"If there is to be a problem, it will be a people problem. They have to have an incentive to be

committed. They won't do it out of the kindness of their hearts. There has to be an economic incentive and things have to be structured for them to do the right thing, not cheat on the system," said Lawrence.

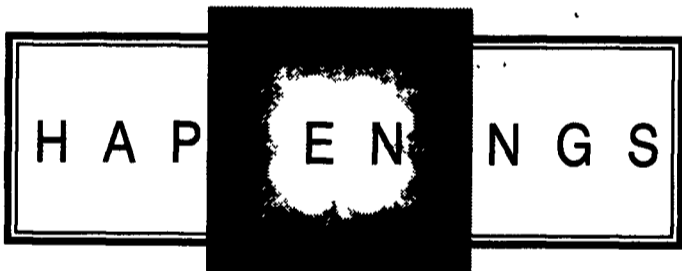
A networking group also means joint responsibility and liability among members. To form a group, formal business procedures including bylaws and articles of incorporation are necessary.

Scott Jeckel, vice president and manager of Jeckel Pork Farm, Inc., at Delavan, Ill., said one of the challenges network group members have to overcome is opening up their financial records to other members. "We are considerably more humble at sub-\$30 hogs than we are at \$40-plus. It's probably a pretty good time for people to get together and say, 'Hey, what can we do to lose less money?'"

Jeckel belongs to informational networks in central Illinois. "There is strength in numbers. The more people you've got on your side, probably the better off you are going to be," Jeckel said.

The greatest benefit to Jeckel has been sharing information among members. "What do you do that is better than I do? What do I do that is better than you do? And how can we use those areas to better each of us? If it doesn't win-win on both sides, than it's not going to work," he said.

For more information on producer networking, call Scott Burroughs, director of producer networking, or Earl Dotson, director of producer education at the National Pork Producers Council, (515) 223-2600.



York County 4-H Beef Club

Twelve members showed project steers at the 1995 Farm Show. Competing and placing are as follows:

Angus Steers

Keith Grubb 1st and Clinton Hoke 4th in Light Weight Class
Tammi Grubb 3rd in Middle Weight Class

Sara Hoke 2nd in Heavy Weight Class

Hereford/Polled Hereford Steers
Jodi Dutrey 2nd-RESERVE CHAMPION and Travis Reed 4th

Oother Purebred Steers
Jamie Reed 2nd-RESERVE CHAMPION

Crossbred Steers

George Dutrey, Jr. 6th Light Weight Class 1

Herman Hake 5th and Cassandra Hake 6th Light Weight Class 2

New projects will start at the next meeting on Feb. 6 at the 4-H center in Bair Station. New members are welcome. Contact Tim Beck, or Lois Rankin at the Penn State York County Cooperative Extension for more information (717) 757-9657.

Cumberland 4-H

The first annual meeting of the Cumberland County 4-H Livestock Club was held on Jan. 16 at the Cumberland County Extension

Office.

The 4-H pledge was led by Stephany Holtry and Jenny Creek led the Pledge of Allegiance. Elections were then held.

Officers elected were president, Michelle Cornman; vice-president, Shane Conaway; secretary, Bill Leib; assistant secretary, Shane Witmer; treasurer, Kasi Scheaffer; news reporter, John Creek; social chairmen, Jenny Creek and Stephany Holtry; and county council representatives, Michelle Cornman and Jenny Creek.

Broken Bit 4-H

The first meeting of the Broken Bit 4-H Horse and Pony Club was held January 19 at the Mt. Airy Fire Hall.

Sixteen members and four leaders were present. Elections will be held at the next meeting, Feb. 16 at the Mt. Airy Fire Hall.

There will be a Bob Allen clinic on horsemanship at lower Hopewell Horse Center on April 22-23. Contact Helen Farrington, (717) 6267-2837.

Plans are underway for open Horse shows this summer, at Lower Hopewell, June 18. The Fall Fun Show will be on Sept. 23.

For more info on club activities or to join, contact Helen at (717) 627-2837.

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