

Atlantic Breeders Cooperative Considers Merger

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INTERCOURSE (Lancaster Co.) — A possible merger between Atlantic Breeders Cooperative and two other artificial insemination cooperatives was discussed to some extent during the cooperative's annual banquet-meetings, though final details are not completed.

The last of the cooperative's annual banquet-meetings were held this week, several after press-time. However, the nature of the annual meetings is to inform cooperators directly with information about their association, to elect representatives, and to discuss issues of relevance to members well-being. The financial outline and management message is usually repeated at each meeting.

The meetings are also held to recognize high producing member-herds that exceed the state's average breed production by 10 percent or more, and of which at least 65 percent have been bred by sires owned by the cooperative.

At a Tuesday afternoon meeting

in Intercourse for members of District 4, Dave Zimmerman, manager for the cooperative's Region 1, told the group that, at the behest of the board of directors, about 73 questions were posed by cooperative directors, resource managers and employees about a proposed merger between the Lancaster-headquartered ABC, Eastern AIC based in Ithaca, N.Y., and the Louisiana Animal Breeders Cooperative, in New Orleans.

All three of the cooperatives currently cooperate in business through Federated Genetics. The merger would create one cooperative, as of yet, unnamed (ideas are being welcomed).

Using a prepared slide program to present the questions and an outline of the answers, Zimmerman said he didn't intend to go over all 73, but highlighted what most people had asked concerning the proposed merger.

Of the highlights of his presentation, Zimmerman said that voting on the merger wasn't ready until more details could be worked out by the board of directors between the cooperatives. However,



From the left, in the front row, Atlantic Breeders Cooperative technician Naaman Stoltzfus presents production awards to Carl Landis, Charles Neff, and Joe Garber. In the back row, from the left, are award recipients Harry Ranck Jr., Parke Ranck Jr., Nevin Hershey, and technician Glenn Gelb.

er, Zimmerman said that members were assured of a one-member, one-vote procedure in the eventual decision. The amount of membership vote necessary to carry a referendum one way or the other wasn't discussed, but should be contained within the cooperative's bylaws.

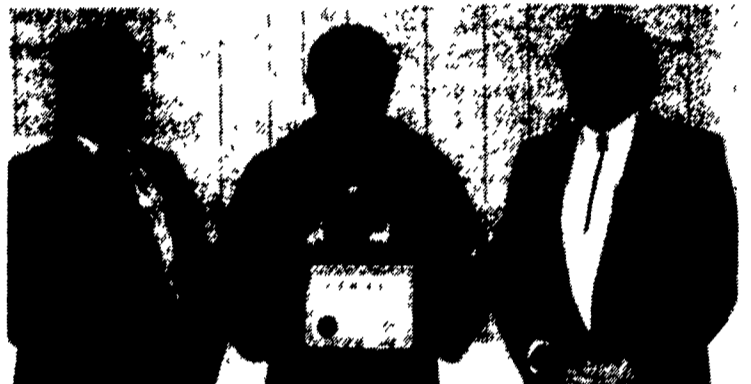
Prior to giving the full presentation, however, Dave Landis, director for District 4, gave a report on the cooperative's financial state of affairs, which was very good, he said.

According to Landis, the cooperative met or exceeded income goals in every area except in member sales because of last year's severe winter storms. However, the budgeted income from member sales was met, and all other sales incomes were strong.

At the same time, less was spent on conducting business than was projected and the cooperative experienced additional income from savings.

Given that good report, Zimmerman said members may be questioning the need for a merger at this time. The answer, Zimmerman said, is that the merger is to position the members of the cooperative for the future, so that the benefits of belonging to a breeding cooperative would not diminish.

All three artificial insemination cooperatives have been working together under Federated Genetics. After talks and discussions about assets and member goals, it more or less has become apparent to some that a merger could well position members from all three



From the left, Steve Pallis, Atlantic Breeders Cooperative Unit 7 technician, presents a herd production award to Neil Moyer of Moyers Village Farm, in Dublin, while Todd Gulick, technician coordinator, helps with the presentation.



Mr. and Mrs. Ty Long and son receive a production award from Bob Keen, Atlantic Breeders Cooperative technician.

cooperatives to continue to do good business, using sales of cooperative-owned semen to reduce the member-cost of using artificial insemination, allowing competitive operating costs for dairymen and other breeders.

"We are looking down the road to compete in an ever-changing dairy industry and AI industry," Zimmerman said.

He said some of the reasons for a merger are to spread the cost of maintaining an adequate AI program, including semen collection, bull acquisition, proving, and member services; maintain existing programs; make it easier to adapt to new technologies; and reduce the overhead of unnecessary employees.

On this last matter, Zimmerman said that he really didn't see much of a change for employees of ABC, except that there could be more opportunity to reward outstanding work.

Efficiencies in decision-making and operations are also a goal of the merger, however Zimmerman said that ABC is not guilty of

duplication of effort within its own organization, but some duplication of effort that occurs between the now-partners under Federated could be eliminated and result in savings.

Control of member-business within the proposed merged cooperative would remain with members, as well as would members continue to control cooperative business with non-members.

In explaining how the merger could better position ABC's members for the future, Zimmerman said that in light of a changing industry and a changing world, and with a trend toward increased herd sizes and a decrease in total cow numbers, along with pressure from sales of imported semen, the members of cooperatives would be better able to remain viable dairy farms.

Zimmerman said that the new cooperative would be divided into six major divisions: genetics; semen production; sales and service; member relations, communications; finance; and research.

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From the left, Pat Arnold, Atlantic Breeders Cooperative technician presents production awards to Curvin Good (for himself and wife Dawn), Nelson Sensenig (for his Meadow Spring Farm), and Aden Carper (for Jay Good).



From the left, recipients of Atlantic Breeders Cooperative production awards are Tom Krall (for himself and his wife Shirley), Eric Williams (for Mike Arnold), Lamar and his father Ezra Martin, and Raymond Martin, while Pat Arnold, technician, presents the awards.



From the left, receiving production awards from Atlantic Breeders Cooperative are Charlotte Clowney, Tom Clowney, Charlotte's husband Bob Clowney, and JoAnn Clowney, and from Jo-Jen Holsteins, Jo Hess Risser, John Hess, Joy Hess, and Bonnie Hess, and technician Robert Stratton. Not present are representatives from Roy Weaver Farm.