Hileman Heads Genex Board

BINGHAMTON, N.Y. --- The Genex division of Cooperative Resources International (RCI), held its annual meeting Tuesday at the Holiday Inn-Arena. According to Skip Jensen, retiring president, the new electly officers are: Dave Hileman, Tyrone, president; Joe Greenbacker, Durham, CT, vice president; and Lanny Conerly, Kentwood, LA, secretary.

According to the annual report, 1997, the first full year of operations for Genex/CRI was a year of change and a year of success.

The sire sampling programs of the three A.I. subsidiaries of CRI continue to yield top new proven sires in all dairy breeds. In the Holstein breed, 31 new graduates were added to the proven sire lineup. These additions increased the average Net Merit dollar value of the available proven sires from \$160 in 1996 to \$176 in 1997. The

average of the top 10 Holstein sires proven in the CRI system and available through Genex/CRI increased from \$197 to \$220 Net Merit during the year.

1997 also saw the introduction of sires from the New Zealand Livestock Improvement Cooperative. These sires, along with those from Holland and Norway, give Genex/CRI members and customers access to a strong, diversified genetic offering.

Net Merit was adopted in 1997 as the primary selection tool for those dairy producers who seek high-producing, long-lasting cows. The Net Merit index developed by USDA researchers combines production evaluations with trait evaluations which have a demonstrated effect on longevity. This simple, easy-to-use tool will aid producers in developing the profit potential of their herds.

During 1997, Genex?CRI achieved a net operating margin of \$697,869 on sales of \$27,669,732. This represents a 2.5% net return on sales, which was slightly less than the cooperatives goal of 4%. Genex's overall margin, including operating and non-operating income and expense, was \$2,628,173. This year's margin was highly influenced by the sale of the Lancaster headquarters facility which generated substantial income. As agreed in the merger plan, the net after-tax gain from this sale will be returned to the former Atlantic members of record.

Genex/CRI expanded its membership area to include Virginia and the eastern half of West Virginia. Membership meetings were held and delegates elected. Genex/CRI technicians performed 5,628 more inseminations during 1997 than in the previous year. Some of this growth occured in areas where new technician service was introduced, while additional growth occurred in some of the established technician areas. Declining cow numbers continue to impact technician service in some areas, but we anticipate our total number of technicians will increase during the next year.

The genetic development program, or sampling program is a key to maintaining the strength and superiority of the future proven sire lineup. Changes in herd management practices impacting the amount of usable information obtained in sampling programs was the reason given to establish a cooperator herd program. This cooperator herd program will provide closer monitoring and control of the use of young sires as well as increased benefits to those producers providing complete information on the daughters of young sires. These changes will help assure Genex/CRI members a continual supply of reliable superior bulls in the coming years.

employees, were developed and implemented. Team building through out Genex/CRI has been emphasized. Recruitment and selection processes for hiring new employees is under study. In short, major emphasis has been given to maintaining the superiority of Genex/CRI employees so thy can provide an increased level of service.

During the year a number of cost reduction steps were implemented, some resulting in immediate reductions, while others are more long range in nature. An example of these changes can be seen in the way the sire programs were operating. When Genex joined CRI and began sharing the results of the other A.I. subsidiaries' sampling programs, we gained efficiency in the use of the top sires. This allow-

ed a reduction in the number of young sires being sampled each year; thus, reducing operating costs by lowering the number of sires purchased and housed.

Many other changes have been made to increase efficiencies and position the cooperative for the future. The finance division implemented a uniform accounting system throughout CRI which will lead to more timely financial reporting. The membr equity records for LABC, Atlantic and Eastern were integrated into the CRI record system. Member equity records are now computerized. Considerable savings occurred through the coordination of national advertising and other promotional materials. Although much was accomplished in areas like these during 1997, there are other



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PC DART WORKSHOP FOR FRANKLIN COUNTY

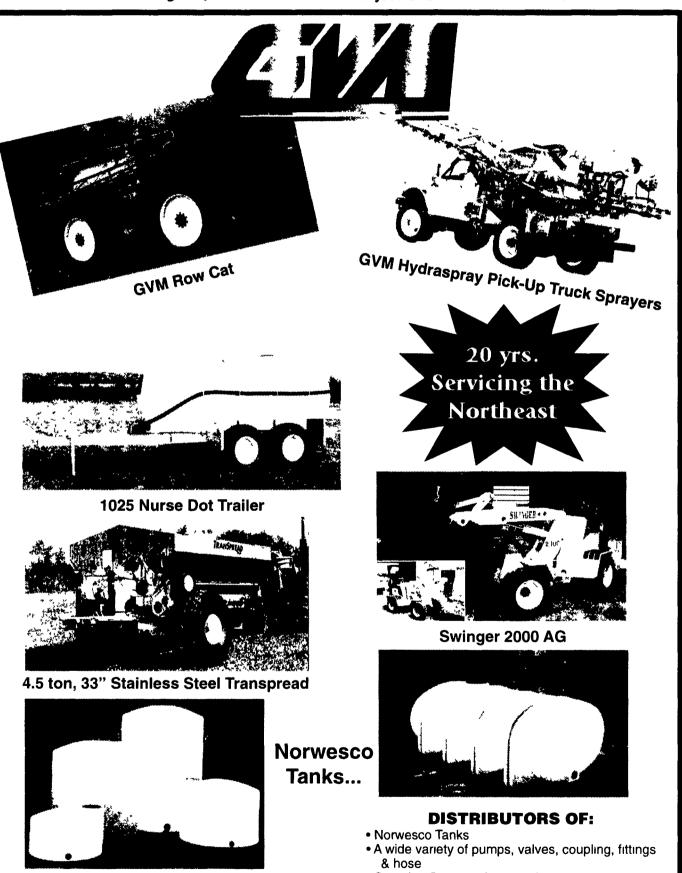
Lancaster DHIA will sponsor a workshop for dairymen who are using, or are interested in using, PC Dart to manage their dairy herds. PC Dart is a rental herd management program supported by Raleigh Dairy Records Management Systems (DRMS) and serviced by Lancaster DHIA. Many dairymen use this program to manage their herds on a daily

areas that will need to be examined if we are to remain cost competitive in the years ahead.

basis.

The meeting will be held on April 9 from 10 a.m. to 2 p.m., with lunch provided. The workshop is open to current users, dairymen or consultants who may consider a computer program in the future.

The workshop will be held at St. John's Lutheran Church, across from the Post Office in Mercersburg. If you are interested in attending, please register with Alfred Weller at (717) 328-5372, or at the Lancaster DHIA office at (717) 665-5960.



During 1997, the board and staff took a number of steps to position the cooperative to be able to adjust to the rapidly changing dairy industry. How dairy service organizations will realign themselves to provide efficient and effective service in the future is not totally clear, so establishing flexible positions has been extremely important.

The quality of the people bringing products and services to the farm, as well as the innovation of these products, continues to be very important. To this end, considerable emphasis was placed on employee development during 1997. New training programs, for established, as well as new

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