

Poultry, Hog Industries Focus Of Seminar

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BLUE BALL (Lancaster Co.) — Poultry and hog industries were topics of discussion at a seminar at the Blue Ball Fire Company Wednesday.

Approximately 150 producers gathered for the seminar, which included topics such as investing, biosecurity, and 2002's agricultural outlook.

Larry Shirk, sales and marketing manager for Wenger's Feed Mill, Inc., described the scope of the business, which provides feed manufacturing and delivery of bulk, mash, and pelleted feed. They also feature custom feed formulation and a flock production record system.

Customers include producers of hens, pullets, turkeys, broilers, ducks, sows, and finishing hogs. The mill focuses on vertical coordination rather than vertical integration, because "that is key in the way central Pennsylvania works," he said. "In this area, we seem to be able to leave what people do the best to those people — each person in the chain does that they do best."

Each year Lancaster County produces eggs for 11.2 million people, milk for 10.8 million, and chicken for 4.3 million.

Almost 20 percent of Lancaster's population is agriculture or ag-related employment, said Shirk. These people are meeting challenges such as increased environmental requirements, and industry consolidation, which enables retailers to make stronger demands, he said.

For example, Shirk said that retailers such as McDonalds are changing the standards of cage density, which will give birds more square inches of housing.

In the broiler sector, "2001 was, all in all, a good year for broiler growers," he said. Leg quarter values have risen 36 percent from 1999 and much of 2001 showed an 11 percent increase in exports over the previous year.

For 2002, Shirk noted that there were three percent more eggs put in incubators in December, so three percent more chickens will be on the market.

Chuck Few, financial services division of Blue Ball National Bank, discussed investing and estate and gift laws. For 2002, Americans can give away \$11,000 and not report it, he said. The lifetime gift tax exemption amount is \$1 million.

If someone would decide to pass assets to their grandchildren, they are allowed to give \$1,060,000 without reporting it.

Few emphasized the importance of having a will and an estate plan.

"Eighty percent of all family businesses, including farms, don't get to the next generation," he said. "Not because of taxes, but lack of planning."

In this tough market for investing, diversification is key, according to Few. "There are all kinds of investments — they're specialized," he said. "Don't buy one kind expecting it to do everything."

As a rule of thumb, the maximum percentage of portfolio in any one stock or bond should be five percent. Additionally, the maximum percentage of portfolio in any one industry should be 20 percent.

Duff George, manager of livestock procurement for Hatfield Quality Meats, discussed not only the history but also today's operations of the business, which is based in Hatfield.

The packing plant, a family enterprise, has 1,600 employees and processes 7,200 each day, or 1.8 million hogs annually. This represents two percent of the

total slaughter nationwide.

The packer purchases 36,000 hogs per week, primarily within a 500-mile radius of the plant. George estimates that Hatfield works with approximately 200 producers.

Workers use an Autofom system for carcass grading. Using ultrasound technology, the non-invasive machine calculates more than 3,200 measurements to grade the carcasses.

The business is the third largest packing plant on the East Coast and has 1,200 products. They also may produce 90,000 pounds of hot dogs per day.

Since July 1999, all of the producers sending hogs to the plant must be Pork Quality Assurance Level Three. This certification program will soon be joined by a certification program for haulers, according to George.

Robert Munson, New Bolton Center, spoke about biosecurity and infectious diseases.

"Biosecurity is really risk reduction," said Munson. "It's a series of marketing strategies... designed to prevent or minimize diseases or their recurrence."

"Some people will live with a certain level of risk, and some are not willing to," he said.

Munson recommended using modified live vaccine on young stock, even up until breeding, "to raise immunity before they begin breeding," he said. Modified live vaccine is not, however, recommended for pregnant animals, but a post-partum vaccination should be given at least two weeks after calving and four to five weeks prior to breeding.

All animals over six months old should be vaccinated, and a modified live vaccine is cost effective, said Munson. He reminded producers that the initial shot must be followed a month later with a second shot, which actually provides the immunization.

Munson also spoke about Salmonella. "If you have Salmonella on your farm, go back to the basics," he said. "Don't rely on antibiotics because the animals will become resistant."

He also reminded producers not to drink raw milk if cows on the farm have the bacteria.

Foot and mouth disease (FMD) and bovine spongiform encephalopathy (BSE) were also topics of discussion, as Munson shared information about the outbreak in Great Britain. "Early detection is imperative — you are the front line," he said.

England's outbreak apparently occurred from meat illegally imported into the country. The disease went undetected while there was widespread animal movement of infected animals, the reason for the severity of the outbreak. "In this particular outbreak, animal movement was the culprit," he said.

A packer saw the lesions on hogs that the worker did not recognize and "blew the whistle" on the disease, according to Munson.

"In seven months they disposed of six million animals," he said.

Lou Moore, Penn State ag economist, gave his agricultural forecast for 2002. "Basically we have too

much product," he said. "This is particularly true in the grain sector."

"Nationally, we've had six consecutive years of good crops," he said.

Pennsylvania, with its strong livestock sector, not only produces but also buys 92 million bushels of corn per year.

For 2001 grain production, American farmers produced 9.55 billion bushels of corn and a record 2.9 billion bushels of soybeans.

In the hog sector, Iowa and North Carolina have 33 percent of the country's hogs, said Moore. Increasingly, fewer operators are producing more hogs. Only three percent of hog operations produce 47 percent of

America's inventory.

On the state level, Pennsylvania's hog inventory was up three percent last year. Seventy percent of the commonwealth's opera-

tions have less than 99 head, said Moore.

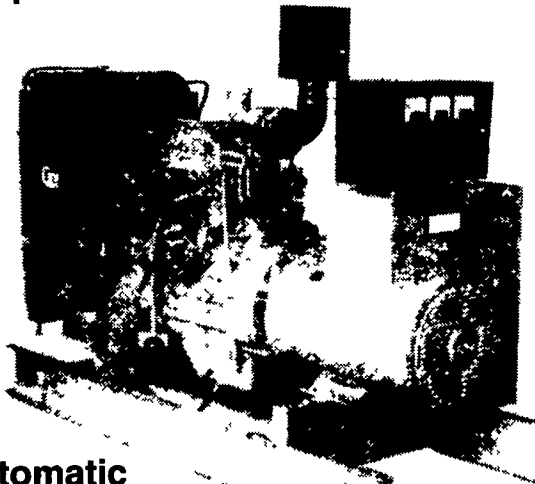
The 19th annual agriculture seminar was hosted by Blue Ball National Bank.



Bank seminar speakers included, back row, from left, Charles Few, CFP financial services division, Blue Ball National Bank; Lou Moore, Penn State ag economist; Robert Munson, New Bolton Center; Larry Shirk, sales and marketing manager, Wenger's Feed Mill, Inc.; and Duff George, manager of livestock procurement, Hatfield Quality Meats. Bank representatives are, seated from left, Alan Strock, community banking officer; Joseph Spada, senior vice president; and Kenneth Overly, vice president, agricultural sales and service.

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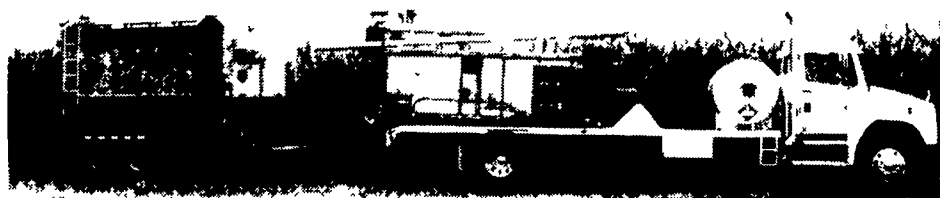
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