

# TPA NEWSLETTER

...from the Tennessee Poultry Association

## GOLF TOURNAMENT & SEMINAR

TPA SCHOLARSHIP FUNDRAISER

**APRIL 24th**

Windtree Golf Course, Mt. Juliet, TN

**Food Safety seminars - 10 a.m. in the clubhouse:**

**Pest Management in Food Production - Bryan Walker, Steritech**

**Strategies to Improve Product Shelf-Life - Bruce Campbell, AFCO**

**Proudly sponsored by:**



## PERMITTING WORKSHOP

**June 17th - Ellington Ag Center, Jones Auditorium**

This workshop is open to everyone involved with the permitting processes for new house construction (live production personnel, TSPs, builders, contractors, Ag lenders, realtors, consultants, permitting agency personnel, and new growers). For info and to **RSVP** contact TPA at (931) 225-1123 or [dbarnett@tnpoultry.org](mailto:dbarnett@tnpoultry.org).



**AUG. 22-23**

## TPA ANNUAL MEETING & SUMMER GETAWAY

*Hilton Downtown Nashville*

### Live Haul Truck Weights

TPA requested an official opinion, a letter of ruling, from the TN State Attorney General to establish if live haul trucks, operated by the integrators on state highways, are eligible for the 10% weight variance (gross, or per axle) granted to farmers when transporting products to market. The statutes imply that the trucks must be owned and operated by the grower. The TN Farm Bureau Federation skillfully crafted the question to be asked for TPA and Representative Pat Marsh kindly made the official request to the A.G.'s office.

In [Opinion No. 14-30](#), on March 12th, titled "Application of Weight Limits To Farm Trucks Traveling On State Highway Systems" the A.G. determined "*when a truck is being utilized to transport poultry from the farm to market on a State highway system other than the portion designated as the interstate system, it qualifies as a 'farm truck'...*"

Please note that any truck found to exceed this 10% wt. variance will be fined for the full 10%, *plus* whatever amount exceeds the granted variance. Everyone is best advised to not crowd that upper limit. It is important to note that this variance is **not allowed on interstate highways**.

Also to note and thank: State Representative Paul Bailey and Senator Jim Tracy introduced bills ([HB 2092](#) & SB 2368) this session to allow the TN Dept. of Agriculture to establish the trucks to be eligible for this 10% farm truck weight variance. Both bills were withdrawn once the favorable opinion from the A.G. was received. The Dept. of Safety and the TN State Highway Patrol are in agreement to honor the A.G.'s ruling.

TPA's Poultry Company Members include:



# SBA Guaranteed Loans for Poultry

Info provided by Walter Perry, District Director and David Tiller, Rural Liaison for TN SBA

## SBA Loan Proceeds May Be Used For Farm Enterprises To Include

- ♦ Purchase of land, buildings, and land improvements
- ♦ Construction, renovation, or improvement of farm buildings other than residences
- ♦ Operating expenses directly related to farming operation (excluding personal or family expenses)
- ♦ Refinancing of debt related to the farming operation

## Working Capital Loans

- ♦ 7a loans range from \$5,000 **up to \$5 million** (FSA guaranteed loans are capped at \$1.3 million)
- ♦ For loans of \$150,000 or less, guarantee is 85%; for loans over \$150,000, guarantee of up to 75%
- ♦ Interest rates for 7a loans typically are from a low of 5.5% to as high as 7%, which is negotiated between borrower and lender and typically cannot exceed prime rate, or SBA's fixed base rate, plus 2.75% (i.e. 7 years or longer term, over \$50K)
- ♦ Loan term is typically 7-10 years for 7a loans
- ♦ Proceeds can be used to start/acquire a business, working capital, equipment or refinance debt
- ♦ Waiver of 2% guaranty fee and servicing fee for loans \$150K or less through 9/30/14
- ♦ 171 banks and credit unions in Tennessee can provide SBA loans

## Real Estate, Equipment and Facilities Loans (504 Program)

- ♦ Loans for purchase of real estate, buildings, or heavy equipment
- ♦ **Up to \$5 million** with SBA contributing 40% of the total loan through a Certified Development Corporation. Borrower pledges at least 10% through owner's equity and 50% is obtained through a commercial loan. Extra borrower contribution for new businesses & special purpose properties.
- ♦ Rates for 40% portion typically run around 4.5-5.5% depending on the term.
- ♦ Term typically 20 years for real estate & 10 years for long-term machinery & equipment.
- ♦ Six Certified Development Corporations in Tennessee offer 504 loans

**Counseling & Training** The SBA works with a variety of local resource partners to meet the needs of small businesses desiring financial counseling training in preparation to apply for a SBA loan from Tennessee's lending community. SBA offers free counseling on starting, improving or expanding a small business through the Tennessee Small Business Development Centers ([www.tsbdc.org](http://www.tsbdc.org)) located in: Chattanooga, Cleveland, Clarksville, Columbia, Cookeville, Dyersburg, Gallatin, Johnson City, Kingsport, Knoxville, Martin, Memphis, Murfreesboro, Nashville & Oak Ridge. Additionally, volunteers serve in SCORE, Counselors to America's Small Businesses ([www.score.org](http://www.score.org)), and provide free counseling to small businesses with chapters in Nashville, Memphis, Chattanooga, Knoxville, Johnson City, and Bristol.

**Contact:** David Tiller, Rural Liaison • 615-736-7176 • [david.tiller@sba.gov](mailto:david.tiller@sba.gov) • [www.sba.gov/tn](http://www.sba.gov/tn)

**Note:** SBA federally-guaranteed loans do not require all of the extensive, additional environmental reviews required by FSA, which greatly simplifies the permitting processes and time it takes for these guaranteed loans to be approved. □

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scott.black@cobb-vantress.com

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Equity Group - Kentucky Division  
Pall Mall, TN (270) 647-0364  
chynette.bandy@keystonefoods.com

**Secretary/Treasurer** - Jay Daniels  
Hubbard LLC - Pikeville (423) 447-7379  
jay.daniels@hubbardbreeders.com

**2nd VP** - Andrew Blair  
Tyson Foods (731) 796-1519  
andrew.blair@tyson.com

**Past-President** - Dan Nuckolls, Koch Foods

### TPA Board Members

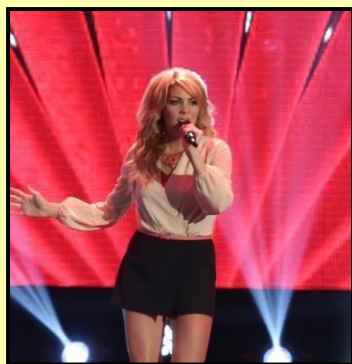
Dwight Curl, Marel Stork Poultry Processing  
Don Davis, Koch Foods - Chattanooga  
Frank Dougherty, Aviagen  
Shane Guy, Pilgrim's  
Eric Killen, The Vincit Group  
David Tallent, Grower, Spring City  
Kevin McBride, Alltech  
Tom McCue, Tyson Foods - Shelbyville  
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Larry Hornaday, Grower, Shelbyville  
Clint Lauderdale, Jones-Hamilton Co.  
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## SAVE THE DATE

### TPA ANNUAL MEETING & SUMMER GETAWAY

**August 22-23, 2014**  
**Hilton Downtown Nashville**

Live entertainment featuring  
Liz Davis, 2012 finalist from *The Voice*, and previous winner of  
MTV's *Starmaker* competition.



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## Poultry Processor Workshop to Focus on Plant Management Techniques for Increased Efficiencies

from: [www.uspoultry.org](http://www.uspoultry.org)

Plant managers seeking efficient ways to achieve the most productivity from their plants may wish to consider attending the 2014 Poultry Processor Workshop. Sponsored by U.S. Poultry & Egg Association, this year's conference will be held May 14-15, at the Embassy Suites Centennial Olympic Park in Atlanta, Ga. The workshop will provide information about the New USDA Inspection Rule and Impact on Poultry Processing, Water Conservation, Energy Alternatives and Raw Parts Interventions for Reducing Contamination.

Other topics include: FSMA Proposed Rule on Animal Foods and Feeds: Rule Overview/Sanitary Transport/Processing Finished Product and Rendered Finish Product; Animal Welfare Guidelines; Allergen Testing/Labeling Requirements; Air Balancing: Condensation Issues and Equipment for Improvement; Equipment Design: Team Member Safety and New Design for Improved Product Safety; Energy Alternatives: Cost Saving Analysis, Litter for Energy Use, and Methane Gas Use for Boilers; and Salmonella Serotypes as Adulterants in Ground Poultry.

For a full agenda and to register for the workshop, click [here](#). □

**WELCOME**

**TPA's NEWEST  
ALLIED COMPANY  
MEMBERS**



**Brent Escoe**  
**706.338.8570**  
**bescoe@choretime.com**



**Russ Williams**  
**770.530.5778**  
**russw@meyn.com**



**Joe Manna**  
**615.828.0569**  
**joe.manna@univarusa.com**



**American Proteins** started more than fifty years ago when Leland Bagwell began operating a small rendering plant in northeast Forsyth county. At that time the poultry industry was just getting started in North Georgia, and the by-products from the processing plants had to be hauled away and burned.

As a visionary, Mr. Bagwell saw a need and was determined to fill it. He recognized the need to recycle by-products generated by the integrated poultry industry.

Today his vision, **American Proteins**, is very much alive and an established, integral part of the modern poultry industry. The company has grown from a small, single plant operation to the world's largest independent poultry renderer with several divisions in four states.

Currently, **American Proteins** recycles over 4 billion pounds of inedible poultry each year using the most environmentally secure methods available. Without this recycling process, the remains of over thirty four million chickens per week would be buried in landfills, consuming six acres a day.

**We don't just try to be environmentally conscious, we win awards for it!**

Stabilized Poultry Fat  
Stabilized Pet Food Poultry Fat  
Pet Food Poultry Protein Meal  
Low Ash Pet Food Poultry Protein Meal  
Stabilized Poultry Protein Meal  
Hydrolyzed Poultry Feather Meal  
Chicken Meal



## **TOP BROILER COMPANIES WITH OPERATIONS IN TENNESSEE**

Production numbers based on average weekly slaughter in continental U.S. plants for 2013

Rank	Company	No. U.S. Plants Slaughter	Million Head Processed	Million lbs. Live weight	Avg. lbs. Live weight	Million lbs. RTC
1	Tyson Foods	33	36.00	201.48	5.60	168.00
2	Pilgrim's Pride	25	32.88	178.32	5.54	138.33
4	Perdue Farms	12	12.34	69.79	5.66	56.20
5	Koch Foods	8	12.00	61.20	5.10	48.00
12	Keystone Foods	3	3.66	24.79	6.78	18.40

## **Georgia Tech Research Institute finds ultrasonic energy to enhance product safety**

From: [WATT AgNet.com](http://WATT-AgNet.com) - Feb. 26, 2014

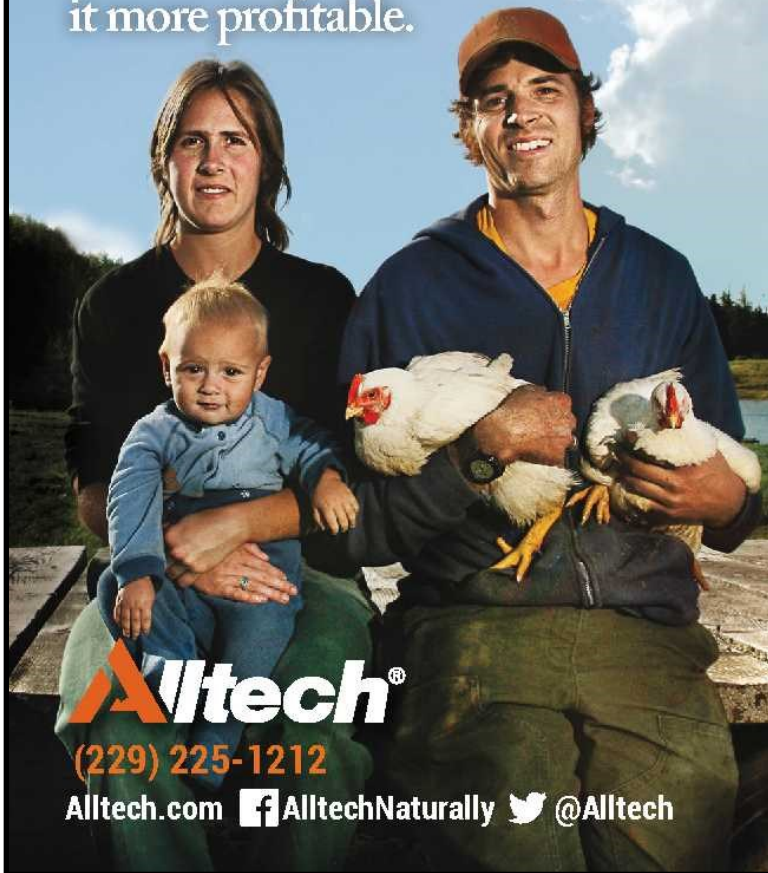
USPOULTRY and the USPOULTRY Foundation have announced the completion of a funded research project at the [Georgia Tech Research Institute](http://Georgia Tech Research Institute) in Atlanta, Ga., which demonstrated that ultrasound may be useful for reducing *Salmonella* levels on poultry during processing.

**Project 681: Ultrasonics and its Synergy for Poultry Water Disinfection** - Researchers at the Georgia Tech Research Institute, led by Dr. Aklilu Giorges, examined the effect of using ultrasonic energy in combination with commonly used antimicrobials on the inactivation of *Salmonella* in chiller water. In experiments using intentionally contaminated water, simulated chiller water and actual chiller water, it was found in all cases that samples treated with ultrasound, combined with either different concentrations of chlorine or per-acetic acid, exhibited better disinfection than samples treated with the chemicals alone. This study indicates that it may be feasible to use ultrasonic energy to enhance product safety. □



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## FARM BILL STUDY TO DETERMINE FEASIBILITY OF CROP INSURANCE TO COVER FLOCKS

From: [WATT AgNet.com](http://WATT-AgNet.com) - Feb.19, 2014

The farm bill, which was signed into law on February 7, includes an amendment that calls for a study of whether a federal program should be launched that would insure poultry producers for flock losses in the case of a disaster, whether it would be a disease outbreak, weather-related disaster or a financial disaster, such as a poultry processor bankruptcy.

The amendment does not include any estimate of what a poultry crop insurance program might cost, according to reports. The federal crop insurance program for corn, wheat and other seed crops cost \$5.9 billion in federal funds in the most recent fiscal year, according to U.S. Department of Agriculture data, or 3.8 percent of the USDA's annual budget. □

### AG EXEMPTIONS:

**ARE LIGHT BULBS AG EXEMPT?** Most poultry supply companies in TN consider light bulbs for poultry houses to be Ag exempt, however, at least one retailer that we know of does not consider them to be exempt. After thorough review of the Ag exemption statutes for TN, light bulbs are considered by most to be “appliances used directly and principally for producing agriculture products for sale and consumption off the premises”, and as components of “systems for poultry environmental control”.

**RICE HULLS** and other alternative litter sources are not Ag exempt in TN; only “agri-sawdust” for animal bedding is exempt.

**TPA** plans to pursue amending the statutes next session to make sure light bulbs are specifically listed in the exemptions, and to hopefully expand the language to include rice hulls and other bedding sources for litter. If anyone has any other suggestions for the Ag exemption statutes as written please notify [dbarnett@tnpoultry.org](mailto:dbarnett@tnpoultry.org).

Anyone who would like to assist with the process, and work with their county **Farm Bureau Federation** legislative action committee, please notify TPA Executive Director Dale Barnett at 931-434-8045. □

## DATES TO REMEMBER

April 18 - NRCS application period deadline for [EQIP funding](#)

April 21-23 - UGA Tunnel Ventilation Workshop, Watkinsville, GA  
[https://estore.uga.edu/C21653\\_ustores/web/index.jsp](https://estore.uga.edu/C21653_ustores/web/index.jsp)

April 24 - **TPA golf tournament and food safety seminar program**, Windtree Golf Course - Mt. Juliet

May 14-15 - Poultry Processor Workshop Atlanta, [www.uspoultry.org](http://www.uspoultry.org)

June 1- 27 - [Aviagen's Production Mgmt Course](#), Huntsville, AL

June 1 - TPA Farm Family of the Year nominations due, (931) 225-1123

June 17 - **Permitting Workshop** hosted by TPA, TDA and UT Extension, Nashville, (931) 225-1123

Aug. 22-23 - **TPA Annual Meeting & Summer Getaway**, Nashville  
Downtown Hilton Hotel

- Annual Meeting
- Networking Receptions
- Golf Tournament & Clays
- Auction Fundraiser
- Liz Davis & band - Live!
- "Here for the Party"
- "Independence Day"
- " My Gun's Bigger Than Yours"



**SAVE THESE DATES**  
**AUG. 22-23, 2014**  
**Hilton Downtown Nashville**

Sept. 25-26 - US Poultry Environmental Seminar, Destin, Florida  
[www.uspoultry.org/educationprograms/](http://www.uspoultry.org/educationprograms/)

## PROPANE UPDATE - March 30, 2014

The unpredicted propane shortage that led to off-the-chart prices during the extreme weather conditions experienced earlier this year is a pretty sore subject for many needless to say.

The supply shortfall originated from the larger than predicted demand for drying grain this past fall and early winter, followed by a major pipeline out of Alberta, Canada being closed down for maintenance in December. Meanwhile, overseas exports continued at steady volumes and the supply chain across the midwestern and eastern states rapidly fell behind. National efforts from the poultry industry pleaded for exports to be diverted back into the US pipelines and the FTC was asked to investigate price fixing claims. Some complexes had to arrange for their own tanker truck deliveries out of the Mt. Belvieu, TX storage hub, or wherever else they could find supplies. Some farms and complexes were fortunate to be kept in uninterrupted supply with their fixed prices honored; however, this was not the case for most.

As an industry, we learned that poultry accounts formerly serviced by UPG were dropped all across TN and even beyond. At the onset of the shortage situation, TPA requested an Executive Order from Gov. Haslam's office to allow other propane companies to fill vacated tanks that by law could not be filled otherwise. We also learned that "locked in prices" are not guaranteed by all propane suppliers and that these price "agreements" are not binding contracts. The companies that made a full out effort to keep everyone supplied without price gouging on their part certainly deserve to end up with all the business for the years to come. The TPA office was also very involved in obtaining hours of service waivers to help keep the propane trucks moving (and for feed trucks in east TN during the last storm).

For growers and complexes in the East and Middle Tennessee regions, as well as in northern Georgia, TPA allied member company **Thompson Gas** is available to discuss propane and farm diesel with you. Thompson Gas was able to help several complexes and growers who found themselves not able to be serviced by their former supplier during these difficult months. James Watson, with Thompson Gas, was extremely helpful to our industry during these months and offered invaluable updates and guidance to the TPA office in requesting waivers and executive orders.

James offers these comments: "Despite these short-term supply issues, propane production in the U.S. is at a historical high. Supply is expected to continue to increase due to new production created by the shale gas revolution. The Eagle Ford fields in TX and the Utica and Marcellus gas fields in OH and PA are creating dramatic increase in gas production, which is feeding the U.S. supply. Actually, the U.S. has changed from importing up to 40% of our propane to now supplying all of the U.S. demand, and exporting 20%. We want to point out that wholesale propane has historically traded 35% to 65% below the cost of oil. Despite the temporary run up pricing, propane will be an economical and reliable energy source now and in the future. We in the retail propane industry are taking steps to ensure that the recent issues with supply are not repeated. We feel the economics of propane will continue, and that propane will remain an economical energy source for farms, homes and businesses."

James Watson can be reached at 706-851-4378 or call Robby McKim at 706-455-8426 to discuss your propane needs.

Spot pricing at Mt. Belvieu continues to come down and was at its lowest for the year on March 24, 2014 at \$1.027/gal. Allowing for an average of 41 cents per gallon for tariffs, handling and delivery to most areas this brings the average retail price at that time to \$1.44/gal. Larger accounts should be able to negotiate a lower price by as much as 5 cents per gal or more. **Interestingly, the highest spot price at Mt. Belvieu this year occurred Feb. 10th at \$1.695/gal.**

To follow Mount Belvieu, TX spot pricing for propane go to: [www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=p&s=eer\\_epllp\\_pf4\\_y44mb\\_dpg&f=d](http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=p&s=eer_epllp_pf4_y44mb_dpg&f=d) □



## NEWS FROM AROUND THE COMPLEXES:

**Aviagen, Inc.**, Huntsville, AL. **Jan K. Henriksen** has joined the Aviagen® Broiler Breeding Group as their new CEO starting Jan. 1st of this year. Jan brings with him more than 20 years of experience in global agri-business. Jan was formerly the CEO of Landmännen Unibake, the international bakery division of Landmännen Group. Prior to that Jan was CEO of Landmännen Kronfogel Group, one of the leading broiler integrations in Northern Europe.

**Randall Ennis**, the former CEO of the Aviagen Broiler Breeding Group, has been appointed Director Global Business Development for EW GROUP as of January 1st as well. In this role, Randall will report directly to the owners of EW GROUP and will be responsible for a number of important expansion projects for the wider Group.

**Equity Group**, Kentucky Division for Keystone Foods. Albany, KY. **Shane Guy** is the new Live Production Manager for the complex. Shane was formerly the Live Production Manager for Pilgrim's in Chattanooga.

**Koch Foods**, Chattanooga, TN. **Chris Raley**, former Broiler Manager for the Chattanooga complex, is now their Live Production Manager.

**Pilgrim's**, Chattanooga, TN. **Brad Nance**, former Broiler Manager for the Pilgrim's complex, is now the complex's Live Production Manager.

*Please submit news & photos from your complex to TPA for inclusion in upcoming TPA newsletters* □



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### Fuel Cost Comparison

Fuel	Average Price	Price Per MMBTU
Natural Gas	\$0.885/Therm	\$8.85
Propane	\$2.550/Gallon	\$27.78

\* Price comparison on MTNG rate for customers using 100 therms monthly usage and PCUD propane rate for Jan 2014.

**1030 West Broad St  
Smithville, TN 37166** (615) 597-4300  
1-800-880-6373

## NATURAL GAS LINE UPDATES

**Middle TN Natural Gas** is interested in picking up additional poultry accounts in their service area and is able to consider running some new lines.

Growers currently relying on propane in Bledsoe, Coffee, Cumberland, Franklin, Grundy, Jackson, Marion, Meigs, Overton, Putnam, Rhea, Van Buren and Warren counties are encouraged to contact Matt Stinnett, Chief Engineer, at (615) 597- 0515 or email Matt at mstennett@mtng.com to discuss. They are also able to discuss parts of Hamilton and McMinn counties for areas not currently supplied by other NG companies.

The **Bedford Co. Utility District** recently informed TPA that they will be extending some NG lines that will allow more poultry operations to be serviced in Bedford Co. Farms willing to discuss paying to connect to nearby lines are encouraged to contact Marty Davis at the BCUD. □

**TN Poultry Association**

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Shelbyville, TN 37162

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**Membership Services**

Tracy Rafferty

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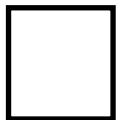
Koch Foods of Chattanooga

1826 Cappella St

Chattanooga, TN. 37408

423.287.4905

Email: [trahel@kochfoods.com](mailto:trahel@kochfoods.com)



**TPA Annual Meeting & Summer Getaway**

**August 22-23, 2014**

**Hilton Downtown Nashville**