TPA NEWSLETTER

HAPPY NEW YEAR
from the Tennessee Poultry Association

FREE GROWER MEMBERSHIPS
TO ALL GROWERS WHO SIGN UP
by JANUARY 31, 2014
Contact: Tracy Rafferty - TPA Membership Services
info@tnpoultry.org or 931-225-1116 to join

SCHOLARSHIP FUNDRAISER
GOLF TOURNAMENT & SEMINAR
DATE SET FOR APRIL 24th

The spring TPA golf tournament & seminar date has been set for April 24th in Mt. Juliet, TN at the Windtree Golf Course. This tournament will be conducted as the main fundraiser for the newly formed TPA scholarships to be awarded annually. The seminar topic & speaker will be announced soon and will pertain to the plant processing side of our industry.

The spring event planning committee consists of chairman, David Wilds, of Koch Foods Morristown; Chynette Bandy, with the Equity Group; Clint Lauderdale of Hamilton-Jones; and Dwight Curl, Marel Stork Poultry Processing. Dwight additionally heads up the scholarship committee.

PERMITTING WORKSHOP PLANNED

Upon request of the TN Poultry Association, Ed Harlan - Assistant Commissioner for Market Development with the TN Dept. of Agriculture, and Jai Templeton, Deputy Commissioner of Agriculture, coordinated and hosted a joint meeting in December with representatives from TPA, TDA, TDEC, Jeff Williams with FSA, Stefan Maupin with the TN Farm Bureau, Dr. Shawn Hawkins from UT and various folks from the Ag lending community to discuss environmental permitting processes in TN. As a result of this meeting, TDA is appointing a task force to further explore opportunities to enhance permitting processes and education for the growers and complexes.

TPA is planning to conduct a workshop later this spring for everyone in the environmental permitting processes to attend. Suggested topics for discussion and questions to address can be directed to dbarnett@tnpoultry.org.

Poultry Numbers in TN:

Tennessee currently has right at 500 poultry farms involved in the production of broilers and breeders, with a little over 1600 chicken houses in operation within the state’s borders.

TN ranks 13th nationally in broiler production. Interestingly, TN is the only known state to have all four of the major primary breeders with operations in the state - those of course being: Aviagen, Inc., Cobb-Vantress, Inc., Hubbard LLC, and Heritage Breeders.

According to the most recent economic impact study conducted by the U.S.P&EA in 2012, the poultry industry in TN has a $4.8 billion overall economic impact and accounts for over 27,000 direct and indirect jobs in Tennessee.

The TN Department of Agriculture reported the USDA/NASS cash receipts for broilers in TN to be $461 million in 2011, accounting for just over 13.2% of the total cash receipts for all commodities. TPA has requested to have the cash receipts resulting from the primary breeding industry included in these stats in the future to more truly reflect the magnitude of the overall poultry industry.

TPA’s Poultry Company Members include:
POULTRY LOANS ARE NO LONGER ON HOLD WITH SBA

Jan. 10, 2014. Great news! SBA (Small Business Administration) poultry loan applications are no longer on hold. Yes, unbeknownst to most everyone across the nation, all SBA loans subject to environmental review had been placed on hold over the past several months by the SBA environmental reviewing office based in California.

Unaware that his loan application had been placed on hold by SBA, a prospective grower in Polk Co., TN contacted the TPA office before the holidays asking for assistance in moving his loan application forward. This particular loan had been initiated 5 months previously. After confirming that all permits had been readily obtained and were in place, TPA Executive Director, Dale Barnett, contacted Walter Perry, the SBA Director for TN, to see what the holdup might be on their end. Mr. Perry was able to find out from the national SBA office that ALL loans requiring environmental review had been placed on hold, pending an ongoing lawsuit against SBA and FSA by certain environmental groups. This suit is challenging the CAFO permitting approval of an existing hog operation in Arkansas. The NCC (National Chicken Council), US Poultry Association and other organizations were then immediately alerted by the TPA office to address this issue. NCC promptly contacted USDA and FSA for confirmation and assistance. FSA interestingly did not put a hold on their loan applications throughout this process. The loan applicant initiating this inquiry additionally obtained the support of US Congressman Chuck Fleischmann’s office, and State Senator, Mike Bell, who both got involved aggressively behind the scenes with supportive information coming from the TPA office. The NCC has now confirmed to TPA that all poultry loan applications are once again being processed, and the TN applicant has had recent communication from SBA indicating that his loan application is moving forward.

This is a great example of how the TPA is there for you & your industry. We can only take action on such matters if we know about them in a timely manner. Please do not hesitate to let TPA know what we can be doing for you!

BROAD FORM vs. SPECIAL FORM INSURANCE COVERAGE

When purchasing a commercial insurance policy for your business, there are a variety of coverage forms to choose from. The difference between these forms can be confusing. It is important to understand the coverages in your policy so your business is properly protected in the event of a loss.

Broad Form covers only “named perils.” This means that if a coverage is not specifically named in the policy, there is no coverage. Normally, Broad Form will cover fire, lightning, wind or hail, explosion, smoke, vandalism, aircraft or vehicle collision, sinkhole collapse, burglary damage, falling objects (tree limbs for instance), freezing of plumbing, accidental water damage, and weight of ice or snow.

Special Form coverage is the most inclusive of insurance forms. Of course the more coverage your policy has, the more premium you will pay, but not having the proper coverage could affect your business’s future if you experience a loss that is not covered. In a Special Form policy, instead of the policy declarations listing what IS covered, all perils are assumed covered unless otherwise excluded. Certain coverages must be added to your policy by endorsement since they are not automatically included in broad or special form policies. Some examples include earthquake, flood, power failure, war, & ordinance of law. Take the time to carefully read your policy forms so you are aware of any potential gaps in coverage. Your agent can review them with you to make sure your policy fits your business needs.

Information provided by TPA allied member and poultry insurance specialists, the Swallows Insurance Agency.
Meet your 1st Vice-President for TPA, Chynette Bandy

TPA is proud to have Chynette Bandy serving currently as your 1st Vice-President. Chynette has been a Broiler Manager for the Equity Group—KY Division of Keystone Foods since the summer of 2012 and has been with the company for over 9 years. She also continues to serve on Keystone’s animal welfare committee. Prior to becoming a Broiler Manager, Chynette was a Broiler Flock Representative overseeing animal welfare, biosecurity, and audits for the complex. While working at Equity she received her certification as a Professional Animal Auditor (PAACO) and Certified Quality Auditor (CQA).

Chynette is also a Six Sigma Green Belt and was assigned a special project to help upgrade performance with substandard growers - using statistical analysis following the “DMAIC” approach. DMAIC stands for Define, Measure, Analyze, Improve, and Control. Keystone’s Complex Manager, Dr. Robert Williams, indicates that the savings attained as a result of Chynette’s efforts were over $150,000 last year. As a part of this effort, she attended training classes with an outside consultant referred to as a “black belt”. Robert goes on to say that “Chynette is a tireless worker that has a special knack for communicating with growers and diplomatically persuading those folks to follow time tested programs to improve their performance and profitability. Her positive approach is infectious within the complex.”

Chynette grew up on a farm in Grundy County and is not shy to let it be known that she was literally raised in a chicken house. Her family, who grew broilers for Tyson Foods, Inc., would place her as a small child in a playpen in the houses while working. Chynette received her BS degree from Tennessee Tech University in Agriculture Education and while working for Equity went back and got her master’s degree in Leadership.

Having served on the TPA Board of Directors since 2008 and on the Executive Committee since 2011, Chynette is very active on most all of the TPA committees and with the planning of the Annual Meeting and Summer Get-Away each year. She additionally coordinates and conducts the Sporting Clays shoot during this event, along with the assistance of Keith McCay, of Aviagen. As chair of the TPA Grower Meetings committee, Chynette contributes significantly in helping to identify the topics and speakers best suited for the growers & live production teams. She furthermore is very instrumental in organizing and hosting the grower meetings held in Cookeville at TTU.

As a graduate of TTU, Chynette continues to show great support for their Ag program in giving talks to various classes and in helping line up tours, speakers and donated equipment to help further introduce and prepare more students for job opportunities within the poultry industry.

Chynette lives near Pall Mall, TN in Fentress Co. and enjoys spending time outdoors and on the farm. She is very family focused and her pride and joy is of course her 2 ½ year old daughter, Aubrey. To no surprise, Aubrey has a definite love for animals just like her mom. Chynette feels that growing up on a farm taught her good work ethics and is looking forward to watching her daughter grow up this way as well.

□
On Dec 10, USDA issued their most recent WASDE (World Agricultural Supply & Demand Estimates) report. No production changes were noted as those will be made in Jan-14 when they issue their final report for the ’13/’14 crop. In Corn, imports were raised by 5mln bushels along with increases in exports and FSI (food, seed & industrial) by 50 mln bushels. The FSI increase was due solely to the production of ethanol as margins in the front end have been stronger than expected. Net change to the ending stocks from their November report was a reduction of 95mln bushels, or a stocks-to-use decline of 1% to 14%. World production numbers were down approximately 1.5mmt, with the drop occurring with the lower production in the US. World demand for corn is expected to increase year over year with the larger supplies and lower price points currently forecasted into 2014. Cash corn has been strong in relation to the supplies available as US producers have been tight holders of product. Movement of corn is expected to increase after the first of the year as producers enter a new tax year and will not be as restricted on income. Expectations on the Jan. WASDE report are for production to increase from levels reported in the Nov. report. Yield is anticipated to increase from the 160.4 bu./ac. to offset the reductions we saw in the this month’s report.

In the bean complex, the WASDE report showed an increase in imports of 10mln bushels coupled with increases in crush of 5mln bushels and exports up another 25mln bushels, all of which resulted in a reduction to the carryout of 20mln bushels. Ending stocks for beans were reported at 150mln bushels, only 10mln higher than last year’s tight stocks situation. Crush margins in beans have been at historical highs coupled with a robust sales pace on bean meal exports. Exports of beans were supported by China and the appetite they continue to show for US bean products. On the world supply and demand equation the ending stocks numbers were flat with the Nov. report. The thing to note is world production is forecasted to increase roughly 15% year over year with those increases occurring in South America. Once harvest begins in earnest and products move into exports channels in South America, demand for US products are expected to decline rapidly from the levels we are experiencing today. Forecast for the Jan. WASDE report is expected to show slight increases in the bean yield from the Nov. level of 43 bu./ac., somewhat mitigating the declines seen at the end of Dec.

Senators Urge USDA to Move Forward with Proposed Poultry Slaughter Inspection Rule
Dec. 20, 2013, provided by the NCC, from Inspection issues

A bipartisan group of 13 U.S. senators from both sides of the aisle sent a letter in mid-December to Secretary of Agriculture Tom Vilsack urging him to move forward with a proposal to modernize the department’s poultry inspection system. The Senate letter comes on the heels of a similar letter last month in the House sent from the chairman and ranking member of the House Committee on Agriculture.

The voluntary change proposed would allow plant employees to check carcasses for defects and perform other quality-assurance tasks not related to food safety. That would free up some federal inspectors to focus more on food safety-related tasks such as oversight and verification, microbiological testing for pathogens, sanitation standards and antimicrobial controls in the plant.

The letter noted a risk assessment which accompanied the proposed rule concluded more than 5,000 foodborne illnesses per year would be prevented if the system was changed in this way, saving about $80 million in health care costs annually.

“The effectiveness of this system has been demonstrated through a pilot program which was run in 25 poultry plants for over 14 years,” the letter said. “The proposed rule included data that compared performance measures at the pilot plants & traditional plants, and found that the pilot plants performed as well or better than traditional plants…”

In addition, during its consideration of the 2014 Agriculture and Rural Development Appropriations Bill in June of 2013, the full House Appropriations Committee adopted an amendment urging USDA to move forward on its proposal to modernize poultry inspection.
TPA GREATLY APPRECIATES OUR ALLIED MEMBERS

Alltech, Inc.
Kevin McBride - (229) 225-1212

American Proteins, Inc.
Mark Ham - (770) 886-2250

Animal Health International
Jeff Sims - (256) 504-2588

A&P Leasing, LLC
Kiln-dried pine shavings
Paul or Jordan Bailey - (931) 738-5065

Biomin USA
Joe Sanders - (210) 342-9555

Cumberland Poultry Group
Brian Johnson - (217) 820-3530
Pat Meggs

Cumberland Tractor & Equipment
Evan Clark - (615) 427-4600

International Paper
Murry Franklin - M'boro (615)
Jeff Ewing - Morristown (423) 280 2492

Jones-Hamilton Co.
Ed Jemison - (423) 400-3755
Clint Lauderdale - (256) 620-1175

Lohmann Animal Health
Jesse Rodriguez - (256) 506-2623

Lhoist NA
Barry Collins - (931) 368-9057

Merck Animal Health
Paul Burke - (615) 804-3564

Merial Select, Inc.
Steve Carroll - 334) 201-8782

Nordic Logistics & Warehousing
Don Schoenl - (770) 871-2821

Swallows Insurance Agency
Greg McDonald or Gabe Colwell
(931) 526-4025

Tennessee Farmers Coop
Paul Davis - (615) 483-2939

Thompson Gas
James Watson - (706) 851-4378
Robby McKinn - (706) 455-8426

Tri-Form Poly (EcoDrum)
Bryan Irwin - (701) 446-6139

US Health Advisors
Michael Vogler - (901) 591-6931

Zoetis
Chris Dyer - (770) 335-5552

WELCOME

TPA’s NEWEST ALLIED COMPANY MEMBERS

Marvel Technologies USA
...makers of “Bac-Wash”
Jack Wheeler (615) 642-3729
marvelfnc@gmail.com

&

Union City Insurance Agency
Portis Tanner or Adam Reeves
ptanner@westan.net
(731) 885-5453

Support your industry in Tennessee!
Contact Tracy at
info@tnpoultry.org or
931-225-1116
to join TPA today

ATTENTION ALL GROWERS

FREE 2014 TPA MEMBERSHIP
FOR ALL GROWERS DEADLINE: JAN. 31, 2014
Contact TPA today if you have not already joined!
931-225-1116
info@tnpoultry.org
PROPAINE PRICING UPDATE - Jan. 3, 2014

Propane spot pricing from Mount Belvieu, TX rapidly climbed through the $1.15 to the $1.20/gal. range mid-October through November in 2013, and then hit a high for the year at $1.31 the second week of December. This was all due to the extended crop drying season, early cool weather in the west, lower than normal seasonal inventories, and much higher exports than experienced in previous years. Prices have been at an all-time high for several years and were at $1.25 on Jan. 3rd, 2014.

Allowing for an average of 41 cents per gallon for tariffs, handling & delivery to most areas this brings the average current retail price to ~$1.66/gal. Many growers were able to lock in at a retail price of $1.40 or less earlier in the year in 2013, and some were fortunate to lock in around $1.25 when market prices were still in the 80 and 90 cent range. Larger accounts are typically able to negotiate a lower price by as much as 5 cents or more.

If you’re not currently locked in at a good rate, growers are best advised to continue floating the price until the wholesale market falls below $1 again. Increased product and pipeline capacity is expected to come online in early spring which should then be a good time to look for better pricing to lock in on.

For growers and complexes in the eastern 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 recently help several complexes and growers who found themselves not able to be serviced by their current supplier during this recent artic cold spell. (Thank you Thompson Gas for being there for our industry at this time of need!) Contact James Watson at 706-851-4378 or Robby McKim at 706-455-8426 to discuss your propane needs.

To follow Mount Belvieu, TX spot pricing for propane go to: www.eia.gov/dnav/pet/hist/LeafHandler.ashx?s=pet&s=eer_eplpa_pf4_y44mb_dpg&f=d

OSHA Updates Guidelines for Prevention of MSDs in Poultry Processing Facilities Jan. 3, 2014 - in Worker Safety & Health, as reported by the NCC.

The U.S. Department of Labor’s Occupational Safety and Health Administration (OSHA) has updated its guidelines, “Prevention of Musculoskeletal Injuries in Poultry Processing,” specifically designed for poultry processing operations.

Originally published in 2004, these updated guidelines provide recommendations for poultry processing facilities to reduce the number and severity of work-related musculoskeletal disorders (MSDs). In preparing the recommendations, OSHA said it reviewed existing practices and programs as well as available scientific information on ergonomic-related risk factors in poultry processing facilities.

The issuance of the new guidelines comes on the heels of the tremendous progress the poultry industry has made in reducing its injury and illness rate over the last two decades.

The incidence of nonfatal occupational injuries and illnesses in the poultry sector, which includes slaughter and processing, is at an all-time low, according to the 2012 Injury and Illness Report recently released by the Department of Labor’s Bureau of Labor Statistics (BLS). The total recordable poultry processing illness and injury rate for 2012 was 4.9 cases per 100 full-time workers (per year), down from 5.8 in 2011. In terms of injuries per 100 full-time workers, the poultry industry’s rate of 4.9 was below the rate of 6.3 for all animal slaughter and processing and lower than the rate of 5.6 for the entire food manufacturing sector.

Poultry processing’s 2012 rate of 4.9 represents a 78 percent decrease from 1994 (the oldest data available on the BLS website), when the recorded rate was 22.7, demonstrating the enormous progress the industry has made in improving safety for its workforce.
Solar Energy can benefit your poultry operation

Solar energy systems generate revenue and can significantly reduce operating costs for farming operations. To generate the most revenue, those investing in solar energy systems are best advised to participate in TVA’s Green Power Providers program. Through one’s local utility, TVA will buy back 100% of the solar electricity generated for 20 years. For the first 10 years, TVA will pay a premium in addition to the retail rate for each kilowatt-hour (kWh). Open enrollment for this program, for systems up to 50 kW, begins January 15, 2014 and TVA will be accepting applications for a limited time. For more info, go to TVA’s Green Power Providers site at www.tva.com/greenpowerswitch/providers/.

Since solar electricity has no fuel costs involved, solar helps hedge against increasing electric rates. One way to look at an investment in solar is to ask, “What will I pay for electricity over the next 20 years if I do not install solar? Then, consider the cost of a solar system as well as the annual revenue, tax benefits and grant money that help pay for it. After a certain amount of time, possibly as early as within five or six years, the system will have paid for itself. After that, solar panels will generate electricity for another 20+ years. Solar panels are warrantied for 25 years.

Tax incentives include the 30% federal tax credit and the MACRS (Modified Accelerated Cost Recovery System) six year depreciation system. Anyone with depreciated houses who can benefit from a new depreciation schedule should take a serious look at solar. For MACRS depreciation information, visit www.irs.gov/publications/p946/ch04.html, and go to www.seia.org/policy/finance-tax/solar-investment-tax-credit to learn more about the available federal tax credits. The federal tax credit for solar can be rolled back one year, or carried forward for 20 years.

Additionally, USDA’s REAP (Rural Energy for America Program) grants are available and can cover up to 25% of total system cost, with the typical amount awarded for rural solar projects being a maximum of $20,000. More information regarding REAP grants can be found at www.rurdev.usda.gov/TN-Energy.html.

Free standing installations should be heavily considered over roof top installations when roof condition, house longevity, and insurance coverage may be a concern.

To learn more or to schedule a free solar consultation contact TPA sponsor, LightWave Solar, at 615-915-2941, or visit www.lightwavesolar.com. Based in Nashville, LightWave Solar is one of the most experienced turn-key solar design and installation companies in Tennessee. Founded in 2006, LightWave has designed and installed over 350 solar systems across the region.

Pictured on the right is a 50 kW solar array at Corn Silk Farms, a grain operation near the TN/KY
Koch Foods. Chattanooga, TN. Ed Poucher has retired as live production manager. We'll miss you, Ed, best of luck in your retirement.

Aviagen. Huntsville, AL. Jan K. Henriksen is the new CEO of the Aviagen Broiler Breeding Group and Randall Ennis has been appointed Director Global Business Development of the EW Group.

Hubbard LLC. Pikeville, TN. Sean Holcombe has been promoted to the position of Director of Sales & Technical Service for Hubbard LLC in North America & Canada. Josh Cox, previously the Technical Service Representative for the Southeastern region now becomes Technical Service Manager for the U.S. & Canada. Wes Miller became Lab Supervisor of Pikeville as the Company seeks a NPIP certified lab in the south and undertakes increased testing in their responsible role in supplying the food chain.

Tyson Foods. Shelbyville, TN. The complex held its annual Growers Appreciation Banquet on Saturday, Nov. 16th. Awards were given to the top 5 broiler growers, top pullet grower and top hen grower. For the first time this year awards for Environmental Stewardship and Most Improved Broiler Farm were given. Some of the award recipients include:

- Pullet Grower of the Year: Coleman Brandon, Brandon Pullet Farm
- Hen Grower of the Year: Hop Sum Lam, Lacuri Hen Farm
- Most Improved Broiler Grower - Joseph Warner, Sugarloaf Farm
- Environmental Stewardship - Kathryn Newton, Newton Farm
- Top Broiler Grower of the Year - Jeffrey Harris, Jeff Harris Farm
- 2nd Top Broiler Grower of the Year - Prentiss Romine of Daybreak Farms, who was also named earlier in the year as the Alabama Poultry Farm Family of the Year.

See the related award photos on the previous page (7).

Please submit news & photos from your complex to TPA to be included in our upcoming newsletters!