



Our Mission: Providing Quality Feed for Quality Food

Small Giants

F. Barry Shaw

I just read the book *Small Giants – Companies that Choose to be Great Instead of Big* by Bo Burlingham. Instead of focusing on large organizations as Jim Collins did in his book *Good to Great*, which I still feel is an excellent book, Bo Burlingham focused on smaller companies. No matter what size organization you are, there is a lot to learn as a family business in this book or at least reinforce that what you are doing is right.



I was fortunate enough to hear Bo Burlingham speak, along with Scott Heintzleman and many others, at the S. Dale High Center for Family Business in September. I would like to share with you parts of Scott's (The Exuberant Accountant) summary of the book. As Bo was doing his research for his book, he wanted to find out if there were companies that were "small giants"—companies that were great but chose to not grow at any cost. He listed six criteria to be considered:

1. The owners had reached a crossroad—grow in size, grow internally, sell out, or go public.
2. They are recognized by their peers as being the best at what they do.
3. They have been singled out for their contribution to the community.

4. They are consistently profitable.
5. There is a sense of intimacy with the employees.
6. People want to work for this company, buy from this company, and sell to this company.

From this, Bo Burlingham determined that these small giants had six key characteristics.

1. The Leader Factor – the leaders/owner knew who they were, knew what they wanted out of the business, and why.
2. The Community Factor – they were rooted in the communities in which they operated.
3. The Customer/ Supplier Factor – these businesses had a personal tie or connection to their suppliers and customers.
4. The Employee Factor – the customer comes second, employees come first. You first have to engage your employees. They are the front lines of service. If your employees are unhappy, your customers won't be treated well.
5. The Margin Factor – all companies had a sound business model. Volume and revenue are not everything.
6. The Passion Factor – the owner/leaders are in love with their companies and what they do.

It is evident that the success of "small giants" has more to do with people than with the businesses. They focus on relationships that the company has with its various stakeholders—employees, customers, suppliers, and the community. A company's ability to inspire these people is the best measure of its value and the financial results will follow. "Small giants" have set high standards. They provide more than just jobs, they are the building blocks of our economy. They impact the quality of life. Every company can be a "small giant" and the more that achieve it, the better our country will be!

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Barry Shaw honored with Darvin E. Boyd Award

Wenger Feeds' Chairman of the Board F. Barry Shaw was honored by the Lancaster Farmland Trust with the Darvin E. Boyd Award for Distinguished Service to Agriculture.

The award was named after late community leader and

agricultural lender, Darvin Boyd. Darvin gained the reputation as a champion for agriculture in and beyond Lancaster County. Through his profession and many affiliations, he helped raise the status of agriculture in the community. According to the Trust, "the recipient of this award is a leader in agriculture through his/her profession and affiliations. The recipient must exhibit high standards and have a high regard among his/her peers."

"Barry is an excellent example of a business leader who believes in being an integral part of the local community."

Trust Executive Director Karen Martynick explained how Barry was chosen: "Wenger's Feed Mill has been a long-time supporter and proponent of farmland preservation and Lancaster Farmland Trust. Barry Shaw has demonstrated his commitment to the agricultural community and farmland preservation through both his personal and business leadership. Barry is an excellent example of a business leader who believes in being an integral part of the local community." Congratulations, Barry!



Herman Bontrager, President of Goodville Mutual Insurance Company who sponsored the awards, Barry Shaw, Carol Gundel Falk, Board Chair for the Lancaster Farmland Trust.

SUSTAINABILITY CORNER

Wenger Feeds has made a commitment to being an environmental steward while being a leader in the industry.

ENERGY EFFICIENT LIGHTING INSTALLED AT EMS WAREHOUSE

The Egg Marketing Services warehouse became the third location to receive a lighting

retrofit, which will save energy.

RECYCLING TO BEGIN AT MASSEY

Plans are underway to install a trash baler at the Massey Mill. The equipment will allow the mill to recycle used bags, cardboard, paper, and plastic. The equipment is already in use at the company's Pennsylvania-based mills. A chart of the amount of material recycled using the balers

appears in the Environmental Services article on page 3.

CARBON FOOTPRINT

Rebecca Ranck, Environmental Coordinator

In 2008, Wenger Feeds began tracking and monitoring those aspects of the company that contributed to the overall company's carbon footprint. Areas

Between the years of 2008 and 2009, Wenger's saw a reduction of 6,351.69 tons of carbon dioxide (CO2).

tracked and monitored include: diesel usage, unleaded fuel usage, propane, natural gas, kerosene, oil, electric, and manure production.

Between the years of 2008 and 2009, Wenger's saw a reduction of 6,351.69 tons of carbon dioxide (CO2). The main reductions occurred in unleaded and diesel fuel usage, gas, and oil usages. In the 2010 fiscal year, Wenger's implemented three lighting retrofit projects at the Rheems Mill, the corporate office, and the Egg Marketing Warehouse. Each of these installations will greatly reduce the amount of electricity each of the facilities uses for production and daily operations.

These installations will also have an impact on the company's carbon footprint for the end of 2010 into 2011. There

are many opportunities for the company to keep monitoring its carbon footprint and implementing reductions wherever possible. Not only has the company reduced its carbon footprint, but it has increased the amount of recycled material sent out from all of production facilities and found better ways to reduce waste going to the landfill. The chart below shows the amount of material that has been recycled using balers that

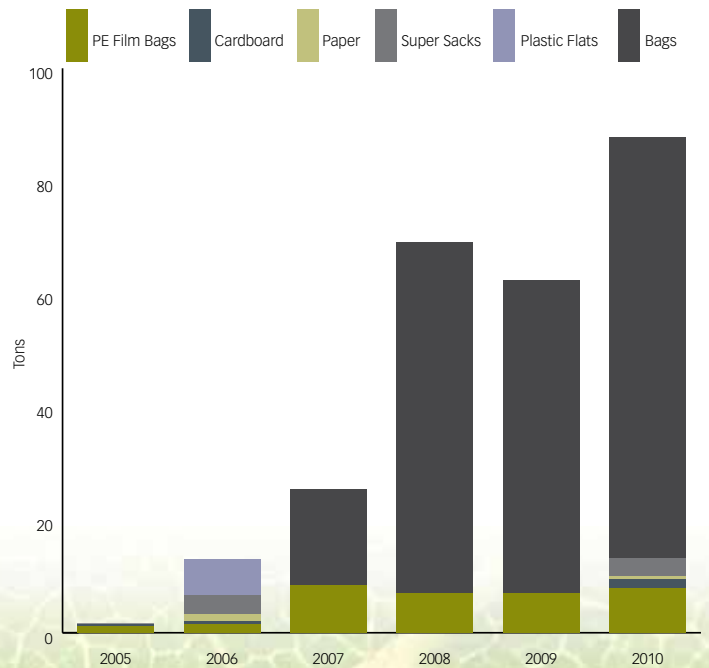
are installed at all Pennsylvania-based mills. In the next few months, the company will install a baler at the Massey Mill in Maryland.

On August 4th, 2010, Wenger Feeds received its certification into the Green Plus Program. This certification came with a virtual tour and audit of the company with the Green Plus Program's sustainability fellows. Cher Rineer and Rebecca

Ranck guided the fellows to documents and procedures used to maintain the company's sustainability. The process as a whole took almost a year to complete and gain certification. Wenger Feeds is proud to be the first agricultural business in Pennsylvania to be Green Plus Certified. Each year Wenger Feeds will go through an audit to maintain the Green Plus Certification and will have to keep improving sustainability measures to continue achieving success as a Green Plus Certified company.



MATERIAL RECYCLED 2005-2010



Environmental Services

PEQAP and the Final Rule

As a large egg recall expanded in late August, the Pennsylvania Egg Quality Assurance Program (PEQAP) in the Commonwealth has helped insure the safety of shell eggs for almost two decades while a new FDA rule could help curb recalls nationwide in the future. PEQAP is a voluntary industry program intended to minimize *Salmonella enteritidis* (SE) contamination of chicken eggs. Many large egg producers, including many flocks managed and marketed by Wenger Feeds Egg Marketing Services, have adhered to the PEQAP program since its inception in the early 90's with favorable results. PEQAP does not *guarantee* the safety of shell eggs, but the program's basic preventative measures including placement of SE clean chicks, intensive rodent control, cleaning and disinfecting between flocks, and environmental monitoring of pullet and layer houses with continuous testing of eggs from any SE positive

house, have kept the industry in the Commonwealth largely free of the damaging results of SE contamination.

As a new set of federal safety rules went into effect on July 9, Wenger Feeds Egg Marketing Services has largely left the

While there are a few minor differences, the PEQAP experience has given producers in the Commonwealth a head start in implementation and in general food safety.

PEQAP program and shifted to the new FDA standards as the guidelines for production. The rules, a coordinated strategy between the US Food and Drug Administration (FDA) and the

Food Safety Inspection Service (FSIS), require egg processors having more than 50,000 laying hens to add preventive measures and use refrigeration when storing and transporting eggs. Many of the new FDA rules are strikingly similar to PEQAP guidelines, with the latter program being used as a model for the new rules. While there are a few minor differences, the PEQAP experience has given producers in the Commonwealth a head start in implementation and in general food safety.



Testing or Procedure	PEQAP	FDA
Chicks	NPIP SE Clean breeders	NPIP SE Clean breeders
Pullet testing	10 to 12 weeks	14 to 16 weeks
Requirement for pullet + manure	Manure tests of layers after housing	Egg testing of 4 sets of 1,000 eggs at 2 week intervals
Layer testing	30w, 45w, and at 50% after molt	40w and 4-6 weeks after molt completion
Egg testing if manure positive	1,000 eggs at 2 week intervals, 4 submissions	1,000 eggs at 2 week intervals, 4 submissions
Diversion to pasteurization required for egg+ flocks	Yes	Yes
Return to shell market allowed	Yes, after a completed set of 4 submissions of 1,000 eggs every 2 weeks	Yes after a completed set of 4 submissions of 1,000 eggs every 2 weeks
Egg testing after initial egg test set	1,000 eggs every quarter	None if negative first set; once a month if were previously egg positive
C&D of manure or egg + houses	Wet or dry cleaning	Wet or dry cleaning
Vaccination required	Only if dry cleaning	None
Biosecurity plan	Not required	Required
Rodent Control Plan and Records	Required	Required
Fly Control Plan and Records	Not Required	Required

Enzymes in Poultry Feeds

Dr. Kevin Herkelman, Product Support and Development Manager

Acceptance of feed enzyme technology has increased in the United States over the past twenty years. Feed enzymes have become an important tool to increase the nutritional value of feed ingredients, reduce feed costs, improve the environment, all while maintaining or improving animal performance.

Enzymes, by definition, are chemicals or catalysts released by cells to speed up specific chemical reactions. This definition accounts for enzymes released in the digestive tract to aid in the digestion of food. Today, these same enzymes can be effectively manufactured and added to animal feeds. Three classes of enzymes (phytases, carbohydrases, and proteases) are typically considered for use in poultry feeds. This article will briefly discuss the purpose of each class and their applicability to poultry feeds.

Phytase products were first introduced in the early 1990's. Most producers are aware of and are typically using phytase in poultry diets. Legislation to decrease phosphorus pollution in some states has contributed to the increased usage of phytase. Phytase works by releasing some of the nondigestible phosphorus (and other nutrients) found in commonly used feed ingredients and making the nutrients available for productive purposes. Phytase is a proven technology used to reduce feed cost by reducing inorganic phosphorus supplementation and has the added benefit of decreasing phosphorus excretion in manure.

Carbohydrase enzymes have been proven to be effective in increasing the amount of energy available from feed ingredients. Key carbohydrase enzymes include amylase and xylanase and are used to improve the digestibility of carbohydrates in feed ingredients. This improved digestibility increases the availability of energy in the small intestine to help promote growth and other productive processes.

Corn provides a majority of the energy

in a typical poultry diet. Amylase is a starch digesting enzyme that helps to digest more of the starch found in corn. Amylase increases starch digestibility, thus providing more available energy. Xylanase, on the other hand, releases energy from the fibrous portion of grains and grain byproducts.

Protease is a protein digesting enzyme that breaks down storage proteins binding starch within feed ingredients. This makes the energy from protein bound starch available to the bird to be used for productive purposes. Proteases are also effective in releasing protein anti-nutrients found in ingredients like soybean meal. This function of proteases makes proteins more available.

A combination of amylase, xylanase, and protease enzymes working together to each attack different poorly digestible portions of feed ingredients increases energy available for growth and/or egg production. The addition of these three enzymes to the diet in combination typically increases energy available to birds by 3 to 5%.

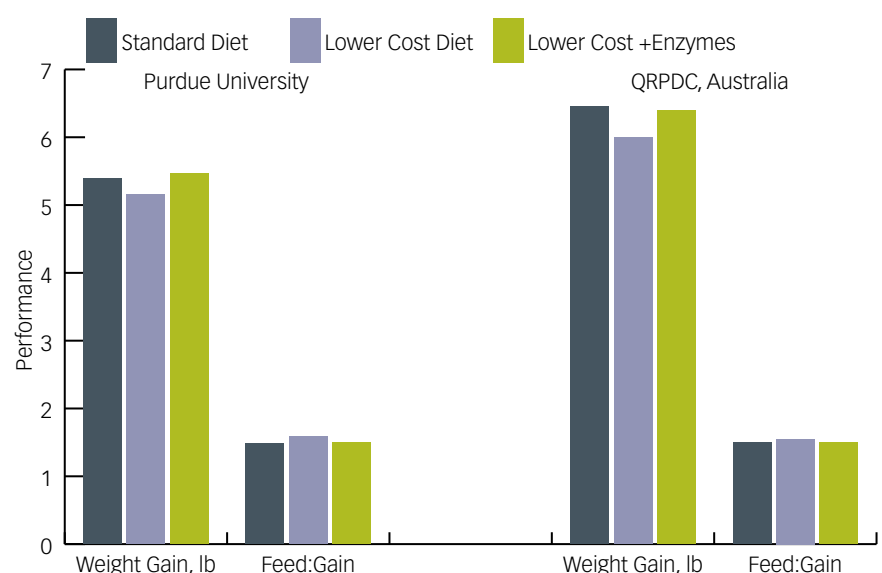
Since energy is the most expensive nutrient in the diet, the addition of amylase, xylanase, and protease enzymes to poultry diets provides producers the opportunity to reduce feed costs. Typically, enzyme supplementation costs around \$1.50 per ton of feed. However, feed

costs can be reduced by \$2.50 per ton in lower energy layer diets to over \$4.00 per ton in high energy turkey diets.

Wenger Feeds utilizes phytase and a combination of amylase, xylanase, and protease enzymes in all Wenger Feeds poultry feeds. The combination of these enzymes reduces feed cost by \$5.00 to \$8.00 per ton. Actual savings depends on feed ingredient prices with increased savings as feed ingredient prices increase. The following chart from research conducted at Purdue University and QRPDC in Australia shows the effect of adding the combination of xylanase, amylase, protease, and phytase to a lower cost diet on broiler performance. The formulation of a lower cost diet compared to the standard diet reduced growth rate and the efficiency of feed utilization. However, with the addition of the enzyme combination to the lower cost diet, growth rate and feed conversion were equal to the standard diet.

The use of enzymes in poultry feeds has gained more acceptance by producers over the past twenty years in the United States. The use of feed enzymes in poultry feed allow producers to benefit from advances in enzyme technology in today's competitive and challenging market.

EFFECT OF ENZYME COMBINATION ON BROILER PERFORMANCE





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