Wenger's Feeds, LLC
MilloGram

Our Mission: Providing Quality Feed for Quality Food

The Pace of Change

Geoff Finch, President and CEO, The Wenger Group

Is it just me, or does it seem like our world just keeps changing at a faster and faster pace?? There are so many moving parts in this great industry of ours, and they are evolving in wonderful, diverse, and even crazy ways. These changes are sometimes science-based, and sometimes fueled by emotion. Many internal changes are driven by continuous improvement and a drive toward greater efficiency. No matter the cause, we must embrace these changes and use them to fuel our growth.

So how do we develop a culture that embraces change?

As I'm sure you have all heard, one of the huge changes occurring now is the significant transition in the egg business toward cage-free demand. Led by Wal-Mart and virtually every other grocery chain, the industry is looking to make a major shift to cage-free within the next 10 years. At Dutchland Farms, we are monitoring the developments closely, and we're re-tooling our growth strategy to best position ourselves for the opportunities that come with this shift.

Also in Dutchland, we are seeing changes in our human resources. On the next page, you can read about Dustin Dreyfuss, who is moving into the role of Egg Marketing Manager, and Luke Salter, who joined our team as Production Manager. We look forward to their leadership through these wild times in the industry!

At Wenger Feeds, we are also seeing major changes. We have performed several projects in our mills over the past year, and have many more slated for the rest of 2016, to increase capacity and drive efficiency. We are also ensuring that we have the certifications that serve our customers' various needs—from our triple ISO certification (Quality, Environmental, and Health & Safety), to Green Plus, to Safe Quality Food, and in the near future USDA Process Verified.

We are also pursuing technological advances, such as improvements on our tractor-trailers that make it safer and easier for our drivers to deliver the right product to the right customer at the right time. While some outsiders may view agriculture as a more conservative industry technologically, we challenge that notion and embrace the ways that computers and automation can help us better serve our customers.

Our ingredient company, Nutrify, is also experiencing a whirlwind of change. While Nutrify buys all the ingredients needed for Wenger Feeds, the team is also busy evaluating the many opportunities to extend our marketing reach into the world of animal feed ingredients. We have seen our volumes grow, and continue to look for opportunities to add value in targeted areas. In some ways, Nutrify is a start-up company, and the team is embracing the challenges and excitement that come from that.

So how do we develop a culture that embraces change? It happens in many ways. We need to develop good practices and processes that address the changes, and that are scalable going forward. We need to partner with key players who have the talents and products to help position us better for our future. And, most importantly, we need to stay very close to our customers to better understand the direction and pace of change that is coming our way.

A culture that embraces change like this is critical given how fast our world is changing these days. The one thing we can count on is that the pace of change will only continue to increase. It's hard to imagine, but someday we may look back on 2016 as a time when things were still simple...!

In This Issue:

Dutchland Farms, LLC Adds Key Team Members

The Wenger Group is pleased to announce that Dustin Dreyfuss has accepted the position of Egg Marketing Services Manager for our Dutchland Farms, LLC division. In addition, Luke Salter joined the team in May as Production Manager.

Dustin will be managing all of Dutchland Farm, LLC's egg marketing and sales activities, including responsibility for the Egg Marketing Warehouse and Delivery Team. A resident of Mount Joy Borough, Dustin was most recently a Layer Feed Account Leader at Wenger Feeds. He has also held positions as Manager of Risk Management and Dairy Price Risk Administrator at Dairy Farmers of America in Kansas City.

Dustin Dreyfuss, Egg Marketing Services Manager

He holds a BS in Agribusiness Management with a minor in Animal Sciences from Penn State University.

"We are very excited about the prospect of Dustin formally joining the Dutchland Farms team," noted Jeff Murphy, Chief Operating Officer of Dutchland Farms, LLC. "I've had the pleasure of working with him on a number of related projects over the past two years, and his industry knowledge and experience, combined with his demonstrated ability to work with Jon Ruhl and his team on the warehousing and transportation side, will be real asset to the organization."

Luke Salter joined Dutchland Farms in May as Production Manager. Luke will be responsible for managing the day-to-day production operations of Dutchland Farms, including areas such as scheduling, oversight of flock service, and contract management. A resident of Millersville, PA, Luke earned a BS in Agricultural Science from Penn State University. Prior to joining Dutchland, Luke served in the US Marine Corps most recently as a Special Response Team Operator and Foreign Weapons Specialist.

Luke Salter, Production Manager

The Wenger Group is pleased to announce that Dustin Dreyfuss has accepted the position of Egg Marketing Services Manager for our Dutchland Farms, LLC division. In addition, Luke Salter joined the team in May as Production Manager.

Murphy was enthusiastic about Luke's arrival as well, "We are equally excited about Luke joining Dutchland Farms. He was heavily recruited by a number of major players in the industry, and getting an individual with his talents and background is a real plus for our organization."

FSMA: What You Need to Know

The Food Safety Modernization Act (FSMA) was signed into law on January 2, 2011. Four years later, on September 17, 2015, the FDA published its final regulations for the FSMA and established requirements for Current Good Manufacturing Practices (CGMP), Hazard Analysis and Risk Based Preventative Controls, and Supply Chain Programs. The final regulations apply to facilities that manufacture, process, pack or hold animal feed and ingredients used in such products. FMSA applies to all facilities that have to register with the FDA under the Bioterrorism Act.

Any farm that produces feed in their own mill, own all the trucks for delivery, own all the animals being fed, and own all the land are exempt from FSMA. Grain elevators and other facilities that are engaged solely in storing raw commodities are also exempt (except fruits and vegetables).

FMSA applies to all facilities that have to register with the FDA under the Bioterrorism Act.

Have a Written Safety Plan: Covered facilities must have a written safety plan that contains:

A Hazard Analysis, Preventative Controls (Supply Chain Program & Recall Plan), Procedure for Monitoring the Implementation of the Preventative Controls, Corrective Action Procedure, and Validation and Verification of Procedures.

Have a plan or make sure your suppliers do: The final rule requires that a facility have a risk-based supply-chain program for those ingredients the facility has identified a hazard requiring a preventative control that will be controlled by the supplier. Facilities must verify that a supplier is controlling the hazard.

Facilities that control such hazards within their own operations or have their customer control the hazard, do not need to have a supply-chain program for the hazard.

Have a CGMP: The animal feed CGMPs establish baseline standards for facility operations and conditions.

The new regulation requires covered facilities to address issues such as hygienic personnel practices and training, facility operations, maintenance, sanitation, equipment design, and warehousing and distribution. Personnel are to maintain adequate personal cleanliness, including washing hands.

Overall cleanliness of the plant must be maintained. Materials not used in animal feed or those not necessary for plant and equipment maintenance (fertilizers and pesticides) must be stored in an area where feed is not being produced.

Examine and Handle Raw Materials Safely: Raw materials and other ingredients must be:

Examined to ensure that they are suitable for manufacturing and processing.

Handled under conditions that will protect against contamination and minimize deterioration.

Protected from contamination with mycotoxins or other natural toxins and used in a manner that does not result in animal feed that can cause injury illness to animals.

Water must be derived from a source safe for its intended use.

Plumbing must be designed, installed, and maintained as to not be a source of contamination.

Shipping containers used to distribute animal feed must be examined prior to use to protect against contamination.

Animal feed returned from distribution must be assessed for animal feed safety.

Maintain Good Records: Facilities must document hazard analysis, management activities associated with controlling the hazard, and supply-chain program in its written food safety plan. Also, all training records of employees must be documented as well. The written food safety plan is to be retained at the facility for at least two years after the date they were prepared. All other records can be stored off site as long as they can be retrieved within 24 hours. Electronic records are considered to be on site. All records required by the rule are to be made promptly available to an authorized representative of the FDA.

WHAT DOES THIS MEAN FOR WENGER FEEDS?

Wenger Feeds has been ISO certified since 2004, and many of the new regulations are in place at our facilities because they are requirements of our own ISO-certified manufacturing processes.

Made to Order

Did you know that all Wenger's feed products are made to order? We do not stock feed to load and deliver. Rather, we make all loads from scratch as they are ordered. This ensures that your animals receive the freshest product possible and allows us to manufacture the thousands of feed formulas that meet the unique requirements of our customers.

The customized nature of our feed manufacturing process also means that your order takes time to prepare. Each order starts with a formula. While we have many feed formulas in our system, adding an ingredient to an order or requesting a change due to animal performance adds time to the formulation process, from 30 minutes to four hours depending on the expertise required to meet the request.

Once we know the ingredients needed, we have to receive them. While we keep an inventory of ingredients, receiving is a necessary part of the manufacturing process. A load of corn requires sampling and testing prior to receiving and can require 10 to 25 minutes to unload depending on the mill. Soybean meal is received by railcar and requires 60 to 90 minutes to unload. Bagged ingredients require 30 minutes to unload. Fat and other liquid ingredients require 30 to 60 minutes to unload, and pneumatic ingredients require 45 to 60 minutes to unload.

While higher volume ingredients are added automatically, lower volume ingredients are added by hand. A formula with a large number of hand-added ingredients can extend the mixing time by 30 minutes.

Once all the ingredients are added, a 23-ton load requires 20 to 45 minutes to mix depending on the mill. If the load is a mash feed, then the product will now be finished and added to a loadout bin.

However, if a load is pelleted, it will require a few more steps including 1.15 to 4.6 hours pelleting time and 10 to 25 minutes of cooling time to remove the steam used in pelleting. Ingredients that are applied to the finished pellet would require some additional time, about 5 minutes.

To best serve you, please give us a 48-hour lead time and a delivery window (first possible to last possible) in order for us to deliver your feed in a timely manner.

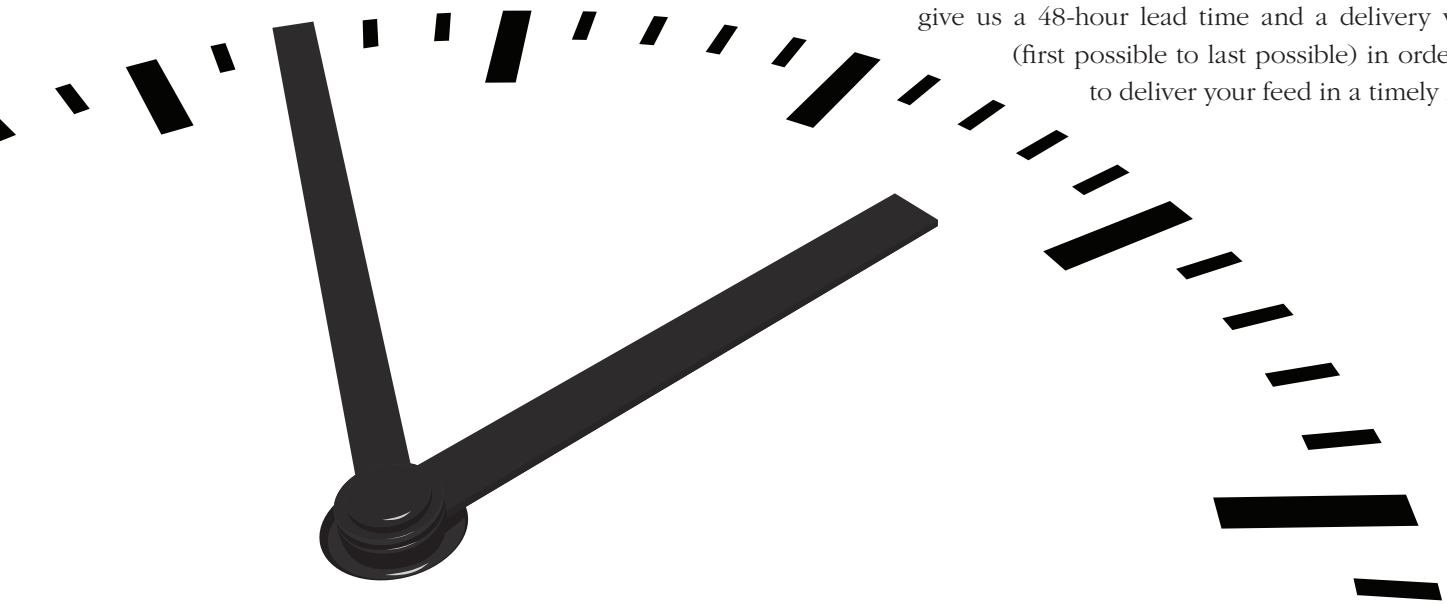
If we receive a 23-ton ASAP order for a mash feed, it could require from 45 minutes to 2.5 hours to complete.

If we receive a 23-ton ASAP order for pelleted feed, it could require 2 to 10 hours to complete.

The range of time is necessary to accommodate our flushing and sequencing process in the mill. We arrange feeds of similar types to run concurrently, and depending on ingredients, we may have to flush the manufacturing line to prevent commingling of incompatible feed formulas.

Once the feed is manufactured, it is scheduled for delivery. Loading feed on a truck requires 20 to 30 minutes, and delivery times can vary from minutes to several hours. Once on the farm, a load can require 30 minutes to one hour to unload.

While the process is time consuming and complex, Wenger Feeds is committed to delivering the custom feed formulas that best meet your business needs. To best serve you, please give us a 48-hour lead time and a delivery window (first possible to last possible) in order for us to deliver your feed in a timely manner.



DRAMATIC DECREASE SEEN IN SALMONELLA POSITIVE EGG FARMS

Six years of Iowa State University testing show a dramatic decrease in the number of environmental samples taken from egg facilities that test positive for the *Salmonella enteritidis* bacterium causing human food poisoning.

"The test data also show that the likelihood of a positive environmental test translating into contaminated eggs is extremely low," said Hongwei Xin, director of the Egg Industry Center at Iowa State. "It's a very positive outcome of the industry implementing the federal egg safety rules that went to effect in July 2010."

The Veterinary Diagnostic Laboratory in Iowa State's College of Veterinary Medicine annually conducts tests on nearly 13,000 environmental samples. About 60 percent of the samples originate from Iowa egg farms, and the remainder from sites located in more than a dozen other states.

"It's a very positive outcome of the industry implementing the federal egg safety rules that went to effect in July 2010."

The U.S. Food and Drug Administration requires facilities housing more than 3,000 laying hens, comprising more than 98 percent of the nation's flocks, to take environmental samples during various stages of production. Environmental samples are taken from the surfaces of egg conveyor belts, floors and poultry manure to check for the presence of *salmonella*. Samples are submitted to the ISU lab to be tested for the *salmonella* bacterium.

An analysis shows the percentage of environmental samples testing positive declined from 24.5 percent in 2010 to 2.5 percent in 2015. Potential reasons for the significant drop in positive samples may include an increase in flocks that are vaccinated for the *salmonella* bacterium, according to Xin. The supply of vaccine since 2010 has jumped dramatically, with the number of doses produced under USDA license reaching over 200 million in some years, more than quadruple what was produced in 2010. There also has been heightened awareness and training in *Salmonella enteritidis* prevention, he added.

When an environmental sample does test positive, the FDA requires testing of shell eggs from that facility—four consecutive tests of 1,000 eggs each done at specified intervals. Once received by the Veterinary Diagnostic Laboratory, eggs are separated into egg pools; a pool consists of the contents and shells of 20 eggs. Scientists culture samples from the egg pools to detect the presence of the *salmonella* bacterium.

Following these FDA protocols, the Veterinary Diagnostic Laboratory tested more than 35,000 egg pools from 2010 to 2015. In that time period, only one positive egg pool was identified, which occurred during the timeframe of a 2010 national egg recall.

"Over the past year, egg safety testing has been continuous and ongoing," said Dr. Yuko Sato, assistant professor and extension poultry veterinarian at Iowa State. "Environmental sampling and testing continued throughout Iowa's avian influenza crisis and its aftermath, which claimed more than 30 million birds."

"The FDA's Egg Safety Rule requires the farms to test and then to act on those tests if there is the possibility of contamination," Sato said. "From the test results we are seeing, the rules are functioning as they were meant to—to ensure egg safety."

"While continued efforts are being made to ensure egg safety in the supply chain, consumers also must continue to be vigilant in how they obtain, handle, store and prepare eggs to reduce the potential for contamination," said Xin.

Source: Iowa State University, Permission to Reprint obtained

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- **Go Green:** Receive your Millogram by e-mail. Send your request to cc@wengerfeeds.com. Be sure to include your mailing address.