

MilloGram



OUR MISSION: Providing Quality Feed for Quality Food.

Planning for Change

Phil Rohrbaugh, President and Chief Executive Officer

One of my first communications as new Chief Executive Officer last year was that we would be focused on developing our business strategy to guide us into the future to build on our strong 75-year history. As I indicated then, change is the constant, and this continues to ring true if you think about the current environment in which we operate that includes:

Very wet weather conditions that have impacted this year's grain planting—with the Mid-Atlantic and Northeast being in relatively better shape than many other areas of the country.

A decline in pork production globally due to the African Swine Fever in Asia and Europe that is positively impacting US pork prices. In turn, other protein product prices like chicken and beef are edging up as well.

Extremely weak egg markets, which have depressed egg prices, and will likely continue for the next several months.

Continued growth in food demand giving rise to many protein producers expanding operations.

A war for talent that is impacting all industries.

A volatile trade and tariff situation that is making managing more challenging.

All of these and other factors make planning all the more important, and we have landed on four broad areas, which will continue to guide us to ensure we can effectively serve our customers and support them as they navigate these risks and changes.

The underlying business strategy we have developed has several core pillars including: 1) Delivering exceptional customer service and diversifying our product channels; 2) Driving excellence in milling, delivery, and product quality; 3) Strengthening our operating foundation; and 4) Giving back and supporting the communities where we operate.

There have been several important developments around these pillars that I want to update you on this quarter.

EXCEPTIONAL CUSTOMER SERVICE AND DIVERSIFICATION

As you will read in this MilloGram, we have now completed a mill acquisition, the L&K Mill in Benton, PA, and investment in Hooper Feeds that allows us to enter the dairy feed segment. Like most things, we start small until we are certain of

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the most effective growth and customer service strategies, and then make continuing investments to support the value proposition we want to build in the marketplace. So we are at the beginning of this effort, and it will evolve over the next several years.

We are excited by this business combination, since Hooper and L&K very much reflect the core values we emphasize in terms of how we want to serve our customers, develop our team members, and support the communities where we operate. Additionally, we

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have added two great leaders in our organization, Brad Wagner and Tom Nauman, who owned and managed these operations. In fact, Brad will be joining the Executive Team of the The Wenger Group and will be leading our overall manufacturing operations. Brad has a long history in milling and has worked in several types of mills engaged in producing many different types of feeds, including all of those we produce. Tom will assume overall leadership of our dairy segment, and he has strong market recognition for his nutrition expertise in dairy.

Over the coming year, we hope that you will have the opportunity to meet both of these new leaders.

DRIVING EXCELLENCE IN MILLING, DELIVERY, AND PRODUCT QUALITY

Since we are a nutrient company, we are focused on how we bring world class nutrient advice and quality to the customers we serve. We recently took an important action in this regard by strengthening our nutrition advisory team through hiring a

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Chief Nutrition Officer, Dr. Raj Kasula. Raj, a Veterinarian with a Masters in Nutrition and Immunology has 30+ years of experience in multiple species nutrition, technical services, innovation,

research and development with leading organizations such as Kemin, Cargill, Phibro Animal Health, and Ridley-Alltech and has traveled in 33 countries.

Raj will be building our capabilities in many areas including research and product innovation, enhancing customer ration programs, supporting our customers in resolving challenges, and leading our quality efforts. Raj has met several of our customers who have expressed excitement about having access to this type of resource.

STRENGTHENING OUR FOUNDATION

We are at work strengthening many of our operating processes that will be discussed in future communications. One of those areas pertains to managing risk since there are many we face including biosecurity, safety in our manufacturing and delivery processes, maintaining quality, and complying with regulatory requirements. We have a seasoned management committee at our Company, the Business Risk Management Committee, that

provides oversight to how we are managing and responding to these risks, including ones we see emerging.

Recently, there has been much press about African Swine Fever and the likelihood that it could reach the United States. We know that it has devastating effects and requires pigs to be destroyed as part of mitigating the spread of the disease. Furthermore, there are no cures or vaccines available. Accordingly, we have been reviewing our readiness to have effective risk management defenses to prevent this disease from entering into any aspect of our operations.

While nothing is fail-safe, we believe we continue to take appropriate measures to minimize this risk and have prepared a summary for our customers of those risk mitigation processes we have in place. If you want to know more about risk management practices in this area, we would direct you to one of these sources of information:

AFIA - Biosecurity Guidelines

Kansas State University - Feed Safety Resources

Swine Health Information Center's "Decision Tree Matrix to minimize transmission risk from feed ingredients"

USDA ASF technical documents and related materials

National Pork Board "Biosecurity for pork producers"

GIVING BACK

As a Company, we emphasize the importance of Giving Back, or Stewardship in our core values. We believe that having a servant's heart and mindset and being other-person-centered is a key to our overall business success. These attributes must be seen in our leaders, and we are proud of the recognition of Barry Shaw at Elizabethtown College that you will read about in this newsletter. This is not only a recognition of him, but of all our team and the emphasis we place in serving and supporting the communities that support us. We are also proud of our work in support of the environment through our participation in Earth Day efforts.

On behalf of our Executive Team and Team Members, I want to continue to thank you for the opportunity to serve you, and if you should have anything you want to share about the quality of service we are providing you, please do not hesitate to contact me at prohrbaugh@thewengergroup.com.

The Wenger Group, Inc. and Hooper Feeds/L&K Announce Investment and Asset Purchase Agreement

We are excited to announce that The Wenger Group and Hooper Feeds have jointly reached an agreement in principle with respect to a proposed business arrangement between the Companies. Under the arrangement, Wenger Feeds, LLC, a subsidiary of The Wenger Group, Inc., made an investment in the Hooper Feeds' business and acquired certain assets related to the mill operation of L&K Mills.

This transaction will provide Wenger with an entry into the dairy feed segment under a strong Hooper Feeds brand, enable it to expand its milling capacity with the addition of the L&K Mill, and add talented leaders to its management team. The transaction was final on May 31, 2019.

Although Hooper Feeds will continue to operate as a separate company from Wenger in serving its current customer base and there will not be changes in how its customers are served, Hooper will be able to draw upon the larger Wenger organization to gain certain economies of scale and specialized expertise.

In connection with the transaction, both Brad Wagner and Tom Nauman will join the Wenger Leadership Team. While Tom will continue his management focus around Hooper Feeds and L&K Mills and lead the combined efforts of both organizations in the dairy industry, Brad will assume a broader manufacturing and operations role at Wenger. In Brad's role, he will continue to be engaged at Hooper Feeds in terms of its strategic direction and oversight of mill operations, similar to Wenger's other mills.

"We are excited about this new business relationship and the growth opportunity expected by combining the size and scale of Wenger to the strong Hooper Feeds brand in the dairy industry," noted Phil Rohrbaugh, Chief Executive Officer of The Wenger Group. "Hooper is a reputable company that shares our core values. The arrangement will allow us to gain entry into the dairy market under the very strong Hooper brand. Brad Wagner, president and part owner of Hooper, will become part of our Executive Team leading the manufacturing area. Tom Nauman, part owner of Hooper and head nutritionist, will be joining our Nutrition Team leading the dairy segment under Dr. Raj Kasula. The rest of the Hooper team will remain with Hooper."



(Back) Phil Rohrbaugh, Chief Executive Officer of The Wenger Group, Inc., and Brad Wagner, President and Part-Owner of Hooper Feeds
(Front) Tom Nauman, Head Nutritionist and Part-Owner of Hooper Feeds, and F. Barry Shaw, The Wenger Group Executive Chairman of the Board

John J. Hooper, Inc. d/b/a Hooper Feeds, is a feed manufacturer located in Gordonville, PA that has been in operation since 1937 producing a variety of high quality animals feeds with a focus on the dairy industry. Hooper Feeds has an affiliated location in Central Bridge, New York.

L&K Mills is a feed manufacturing and nutrition company in Benton, PA, which is about 40 miles east of Wenger Feeds' Muncy Mill. With a commitment to providing high quality feeds and services to customers involved in animal agriculture, L&K Mills offers a variety of products to meet all of your livestock needs. L&K has been in operation since 1964 serving the agriculture industry in North Central PA. The L&K Mill will be under the oversight of Ed Hoffman, Wenger Feeds Regional Manufacturing Manager responsible for Spring Glen and Muncy.

"We're excited about these agreements and about the strong future we're building for The Wenger Group," noted Phil Rohrbaugh. If you have any questions about this agreement, please see your Account Leader.

USDA Enhances African Swine Fever Surveillance Efforts

The U.S. Department of Agriculture (USDA) is furthering its overall African Swine Fever (ASF) preparedness efforts with the implementation of a surveillance plan. As part of this plan, the Animal and Plant Health Inspection Service (APHIS) will work with the swine industry, the States, and veterinary diagnostic laboratories to test for ASF.

ASF is a highly contagious and deadly disease affecting both domestic and feral (wild) pigs. It does not affect human health and cannot be transmitted from pigs to humans. ASF has never been detected in the United States.

To make this program as effective and efficient as possible, USDA will add ASF testing to its existing classical swine fever surveillance. USDA will test samples from the same high-risk animals, using the same overall process, but will test for both diseases instead of one. USDA and its partners expect to begin ASF surveillance efforts within weeks, and will implement the full surveillance plan over the course of the spring.

The surveillance effort will test samples from high-risk animals, including sick pig submissions to veterinary diagnostic laboratories; sick or dead pigs at slaughter; and pigs from herds that are at greater risk for disease through such factors as exposure to feral swine or garbage feeding.

In addition, USDA will work with state and federal partners to identify and investigate incidents involving sick or dead feral swine to determine if they should be tested for ASF or other foreign animal diseases.

The surveillance testing of commercial swine herds is an addition to USDA's overall African swine fever prevention effort, including:

- Working with officials in Canada and Mexico on a North American coordinated approach to ASF defense, response, and trade maintenance;
- Working with U.S. Customs and Border Protection at ports of entry, paying particular attention to cargo, passengers, and products arriving from China and other ASF affected countries;
- Increasing detector dog teams with U.S. Customs and Border Protection to sniff out illegal products at key U.S. commercial sea and airports;
- Collaborating with states, industry, and producers to ensure everyone follows strict on-farm biosecurity protocols and best practices (including for garbage feeding in states where that is allowed);
- Restricting imports of pork and pork products from affected countries;
- Coordinating closely on response plans with the U.S. pork industry, producers and States to be ready should a detection ever occur in the United States; and
- Expanding the testing capabilities and testing capacity of the National Animal Health Laboratory Network.

USDA's overall goal remains to keep this deadly disease out of the United States. For more information, visit APHIS' updated ASF webpage at www.aphis.usda.gov/animalhealth/swine/asf.



F. Barry Shaw honored by Elizabethtown College

Elizabethtown College celebrated the Class of 2019 on Saturday, May 18, and there was a familiar face receiving a degree—The Wenger Group Executive Chairman of the Board F. Barry Shaw. Barry was honored, “In recognition of exemplary leadership in business, it is a great honor to present F. Barry Shaw for the degree of Doctor of Business Administration, honoris causa.”

In honoring Barry, the college noted his willingness to share his time and experience as well as his philanthropy to the institution. “Sharing his extensive agriculture expertise, Mr. Shaw has been a member of the American Registry of Professional Scientists (ARPAS), B&E Poultry Inc. Board of Directors, the Farmer’s Pride Board of Directors, the Executive Committee of the Ag Coalition and a member of the Senior Advisory Council of Lancaster Farmland Trust. In 2006, Junior Achievement presented Mr. Shaw the Spirit of Achievement Award. He also is a former president of the PennAg Industries Association Board of Directors and in 2010 the association honored him with a lifetime achievement award for outstanding accomplishments in the agriculture industry. Mr. Shaw also was the Past Chairman and now is an Honorary member of the Board of Directors at Brethren Village.” Congratulations, Barry!



Wenger Group Executive Chairman of the Board F. Barry Shaw received an honorary degree of Doctor of Business Administration from Elizabethtown College. Barry is pictured here with Elizabethtown College President Carl Strikwerda, Ph.D. (left). Photo courtesy of Elizabethtown College.

STEWARDSHIP: EARTH DAY TREE PLANTING

Stewardship is one of our core values, and The Wenger Group recently worked with a local non-profit to plant 400 trees in Marietta, PA. The number was symbolic of the number of company team members. The Keystone 10 Million Trees Partnership is a collaborative effort committed to improving

Pennsylvania’s communities, economy, and ecology. Wenger’s funded the trees, and the Partnership provided the labor to complete the planting on May 4. For more information, see www.tenmilliontrees.org.





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