

MUNSON LAKES nutrition

Q U A L I T Y

Swine Producer: Know Your Cost of Production

One of the few independent swine producers in central Minnesota has definite ideas about how to succeed when others have quit raising hogs altogether.

"I believe my success is in keeping production costs low," says John Wicker, who finishes 7,500 hogs annually on three different farms. Two of the farms are located near Marty, MN (which locals call Pearl Lake) and one is in southern Minnesota. John gets his pigs from an Isowean nursery known as Redrock at Westbrook, MN. He co-owns the nursery with a handful of other hog producers and finishes each batch of 500 pigs in 18 weeks.

"Munson Lakes Nutrition got my business because they were able to provide me with a good product at a fair price," says John, who buys swine premix and medications for his northern farms through Doug Sawatzke, his MLN sales nutritionist. "Cost of production is everything," he adds. "You've got to

know what it costs you to put on a pound of pork." John also appreciates MLN's speedy service and courteous drivers.

John says good animal health is another key to his success. He keeps a sharp eye out for any sign of a diseased pig. "I'm very keen on trying to head off health problems before they become an issue," he states. "You hear a lot about catastrophes with large death losses on a single farm."

He adds, "The industry standard is 3% death loss, and right now I'm running a death loss between 1.5% and 1.75%."

The right facility is also important to an independent producer's success. "It's nice to think swine can be raised out in the pasture," says John. "But a confinement facility is the only way to raise hogs. With the cost of feed, you've got to be efficient," he explains, "and confinement is the only way to achieve efficiencies you need year-round."

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John Wicker with feeder pigs in one of his three finishing barns.



Pelleted Feed Doubled in Five Years

By John Zander, General Manager



Munson Lakes Nutrition (MLN) finished 2010 on a high note. Once again we surpassed our budget numbers. This past year, we sold 115,643 tons of feed, up 18,388 tons from 2009.

The majority of the increase was new poultry feed business. Dairy and beef feed sales totaled just over 40,000 tons—within 300 tons of the previous year. We were happy to maintain our dairy and beef business, given the current economy.

This past year, MLN pelleted 32,612 tons of feed. This was an increase of 4,824 tons from the previous year and was double our pelleted feed sales in 2005. New poultry business accounted for much of the 2010 increase. (To accommodate the increased demand, we doubled the horsepower of one of our pellet mills.) The increase in pelleted feeds over the past five years, however, resulted from a combination of dairy, beef, and poultry business.

MLN's bagged feed sales also increased this year to 7,148 tons, the highest we've seen in the 14 years for which we have records.

Also in 2010, we installed a new screener at the Howard Lake mill to improve our whole corn product. We bagged a

lot of whole corn this past year for use in corn burners, deer feeders, and the like.

Efficiency, safety, and dependability

Besides manufacturing more tons, we improved our efficiencies in 2010. Our milling crew ran 99,708 tons of feed through the mixer in 5,372 hours of mill operation, compared to 84,763 tons of feed in 4,981 hours the previous year. So, we improved our milling efficiency to 18.56 tons/hr in 2010 from 17.01 tons/hr in 2009.

Our delivery fleet hauled over 6,035 loads in 2010. They traveled 625,000 miles without an accident, and hauled over 101,000 tons. To put that into perspective, we hauled an average of 23 loads, delivered 387 tons, and traveled almost 2,500 miles a day.

These figures and the comments I receive regularly from MLN customers tell me that our manufacturing and delivery crews are second to none in service and dependability.

The focus of our business

But there is one more group of people deserving of praise after a year like this, our loyal customers—including you. Without you, we could never report the progress we did in 2010. You are the focus of our business and the reason for our success.

Thank you for giving Munson Lakes Nutrition and our sales team the opportunity to provide you with the animal nutrition products and services you need to succeed. ●

Know Your Cost of Production

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As far as plans to improve his operation, John stresses the value of raising his own feedstuffs. "I raise corn on 400 crop acres, and I'd like to expand my crop production to where I'm raising all of my own corn," he states. John adds that the manure he produces is a valuable resource and lowers the cost of producing that grain. "Raising crops and livestock is a perfect match, but people have gotten away from that in recent years," he observes.

John is the fourth generation on his farm, which he took over from his father, Dan Wicker. At 82, Dan still takes an interest in what is going on and enjoys the fact that the farm has made it one more generation. John's son Mitchell has expressed interest in farming and currently studies agriculture at Ridgewater College. Mitchell would be the 5th generation if he decides to farm. *NOTE: John and his wife, Mary, have another son, Kevin, and a daughter, Erin.*

After John finished school, the family farm—which included a farrow-to-finish hog operation—was not large enough to provide him with a living wage. So, from 1987 to 2004, he worked as a mechanic for Arnold's of Kimball and farmed on the side. In 1996, with his facilities wearing out, John decided to invest money in the Redrock nursery. "Giving that part of the hog production process to someone else allowed more flexibility, and I was able to work off the farm and get some things paid for," he explains.

Today, John's main business is raising hogs, but he continues to supplement his farm income by taking on repair work. He maintains a small shop on his farm where he works on tractors and other farm equipment

brought to him by neighbors and acquaintances. "I tell them I'll work on anything that isn't older than I am," laughs the 44-year-old. But the age of at least one tractor in his shop proves John doesn't always stick to this policy.

John's farm shop is called Country Repair, Inc., and he may be reached at 320-398-2400. ●

Our Mission

Some things never change—even after 76 years.

The values that shaped our heritage will remain. Munson Lakes Nutrition will continue to:

- Manufacture a great product at a fair price.
- Give great customer service.
- Base every decision on fairness and decency.

Numbers, Family, and Ag Define His Life



Mark Dahlman with niece Megan with the 4-wheel-drive John Deere they rode together last fall.

Mark Dahlman has worked for Munson Feeds since 1999. At that time, he managed the company's grain elevator at Cokato. When that elevator was closed, Mark moved to the main office at Howard Lake. He serves as the ingredient buyer for Munson Lakes Nutrition. "I purchase and price ingredients that go into both our bagged and bulk feed," he states.

The main ingredient is corn, which he purchases from local farmers. Other ingredients come quite a distance. Cottonseed, for instance, originates in the southwestern states and we purchase our canola from Canada. The soybean meal in MLN feeds comes from a Mankato plant, which processes beans grown by local farmers. Almost all ingredients are acquired through Land O' Lakes.®

"Good quality feed starts with high quality ingredients," says Mark. Noting that the final price of the feed reflects its individual ingredients, he adds, "My goal is to purchase the highest quality ingredients at the most reasonable cost so we can keep prices down for our customers."

Mark also manages the hedge desk at Munson Lakes Nutrition in buying, selling, and rolling Chicago Board of Trade futures contracts to manage risk and establish prices for the company's corn contracts.

Mark grew up in a large family, many of whom still farm in the Cokato area. After high school, he earned an ag degree from the University of Minnesota. "I've been able to live out my life using my degree and my farm background," he states, adding, "I love to analyze and crunch numbers."

His life doesn't begin and end behind the desk, however. Three of Mark's brothers own and operate a seed corn farm. "I spend a fair amount of my free time in the spring and fall behind the wheel of a tractor," he states. "Helping my brothers with planting and harvest keeps me in touch with my grain customers."

Single and living in Cokato, Mark has been a member of that community's fire and rescue squad for 20 years. He is also very involved in his church and in the school activities of his many nieces and nephews. "The Dahlmans are a very family-oriented clan and I spend a lot of time with them," he explains.

Last fall, Mark found himself in a situation that he says summarized his life. "I was ripping corn ground with a John Deere 4-wheel-drive tractor," he describes. "I was wearing a Munson Lakes T-shirt and my Cokato Fire Department hat, while sipping a hot cup of coffee, with my little niece Megan in the buddy seat."

"I had it made right there," he said. "I've been blessed. ●"

Manage Your Account at www.munsonlakes.com

Now you can access your Munson Lakes Nutrition account at our website. Just go to www.munsonlakes.com and click on the FarmerData logo.

You'll need your Munson Lakes account number and the last four digits of your Social Security or Federal ID number to register. Just follow the directions, including selecting a username and password.

Once you're registered, you will be able to return anytime. You can review your statements and your settlements on any corn sold. Also at FarmerData, you'll be able to order feed, and eventually your Schedule F will be available online as well.

Registration is easy, but if you encounter a problem, call us at 800-245-7717. We will walk you through the process. ●

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What Exactly Is in Your Feed?

By Eric Munson, Plant Superintendent

Just over one year ago, we purchased a computer program through Feed Management Systems and began generating tags with each order that show percentages of protein, calcium, phosphorous and fiber, as well as a list of all ingredients in the mix.

These tags also include medications in the feed and their warning statements, and they give specific feeding directions, if necessary.

The tags go out with every load of feed from our Howard Lake mill and are delivered by your driver along with the invoice.

The mission of Munson Lakes Nutrition (MLN) is to manufacture a great product. Letting you know exactly what is in the feed we manufacture is part of delivering on that mission.

Mill and crew receives quality award

Speaking of manufacturing a great product—MLN once again received the Land O'Lakes® Dedication to Quality award in 2010. Our Howard Lake mill and crew has received this award every year since 1996, when MLN became affiliated with Land O'Lakes.

Driver Dusten Wilking (left) receives a bulk feed tag from Eric Munson.

But we're not resting on our laurels. In two months, I'm headed to a Dedication to Quality training session with Land O'Lakes at which I expect to be asked the question: "How can you do better?"

Training and meeting high standards for manufacturing excellence are two ways you can be assured of getting the best there is when you buy feed from MLN. ●

