

PIPESTONE System



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GOOD AT BUILDING BARNES AND PEOPLE

Mark Uilk has been named 2012 Minnesota Pork Industry Swine Manager of the Year. Mark received the honor in January at the annual Minnesota Pork Congress.

A 12-year Pipestone System employee, Mark manages the Twin Rock farm. Since becoming manager in 2004, Mark has overseen the farm's expansion from 3,000 to 5,000 sows, the construction of a composting facility, the completion of a filtration project, and biosecurity training that led Twin Rock to being declared PRRS-free on November 30, 2011.

The 2012 Swine Manager of the Year has also developed numerous people who started as part-time employees of the System, worked into full-time positions, and are now managing their own sites.

Mark was nominated for the honor by Troy Woelber, director of swine operations for Pipestone System. As Troy told the judges, "Mark is one of the most stable and loyal managers we have in the System. I often measure the success of a manager on how many people in the Pipestone System farm leadership can attach their name to a manager's development tree. We can safely say that a large percentage of individuals can attach their names to Mark's tree."

BORN AND RAISED HERE

Mark Uilk was raised four miles west of Pipestone on a dairy farm owned by his father and uncle. After graduating from high school in 1992, Mark completed a dairy management course at Hutchinson Technical College. As part of that course, he worked seven months on a large dairy farm in Georgia before returning to the family farm.

Encouraged by the growth of the swine industry, Mark was hired in April 1999 as a swine technician for Pipestone System. Working in both gestation and lactation, Mark visited several System barns in the years that followed, observing their differences and how they were operated. Then, in 2004, Mark was nominated to manage the Twin Rock farm.

Mark and his wife, Laura, live in Pipestone. They have three children: Brendon, 14; Brooklyn, 10; and Brylie, 6.

THE FUTURE

Mark feels privileged to have been named 2012 Minnesota Swine Manager of the Year. "It helps me reflect on where I've been and how far I've come since joining the Pipestone System," he states.

He gives credit to his fellow Pipestone System farm managers for making him a better manager. "We drive each other to be good as we compete for top production honors," says Mark. He also credits his dad, Elroy, and uncle Bernie. "Growing up on a dairy farm, they taught me a lot about how to get things done on a day-to-day basis and to move forward, whether in dairy or swine," Mark states.

Mark's goals for the future include achieving 30 pigs per sow per year and continuing to develop employees that can climb the Pipestone System ladder. "Personally," he concludes, "I just want to be a loyal manager for the System and lead my employees as well as I can." ■



Mark Uilk

SWINE LINE

FAMILY FARMS FOR THE FUTURE

“One generation makes. The next generation uses. The third generation loses.” Chris Veldhuizen heard this warning countless times from his grandfather Christiaan, who came to America from the Netherlands and moved his family to the farm north of Edgerton, MN, in 1936. Chris Veldhuizen, born to Christiaan’s son Elmer and daughter-in-law Marie in 1949, spent much of his childhood at his grandfather’s heels. Little wonder that Christiaan’s wisdom survives in Chris’s approach to life and work.

Progressive and devout, Christiaan believed each man is a steward of what the Lord has given him and a good steward’s responsibility is to care for his land, his animals, and his children. Christiaan was a good steward, passing to his son Elmer a heritage of faith, family, and land to farm. In turn, Elmer and Marie successfully and generously passed the Veldhuizen farm to Chris and his wife, Clare.

Acknowledging their blessings, Chris and Clare are resolved not to lose what the first generation made. “Within our God-given abilities, that will not happen on our watch,” they declare. The Veldhuizens have prepared well for that day when they could pass a successful and sustainable farming operation to their children. The Pipestone System played a big role in that preparation.

CHANGING THEIR STRATEGY

When Christiaan died in 1960, Elmer and Marie Veldhuizen moved onto the family farm. In 1964, Chris (then 14) rented 80 acres across the road and began farming. After graduating from high school, Chris earned a degree in agriculture from South Dakota State University and returned to the farm. In 1975, he married Clare Altena. Besides milking cows and raising pigs with Elmer and Marie, the young couple also raised a crop of children.

Then, in the 1980s, Elmer retired from dairy farming after being diagnosed with diabetes. Paving the way for his son’s future in farming, Elmer took their herd through the 1986 dairy

buyout and set Chris up for a very successful farrow-to-finish business.

But as the 1990s dawned, a shortage of labor and the rising cost of affordable genetics pressured Chris and Clare to look for another way of building their business. At the invitation of Dr. Gordon Spronk, they attended meetings at the Pipestone Veterinary Clinic and invested in the first isowean unit in the Pipestone System. “We knew, if there was any hope the next generation could farm, we would have to make some changes, like my grandfather did for my dad and my dad did for me,” says Chris.

In 1994, 1997, and again in 2003, the Veldhuizens pooled their resources with other swine producers to purchase a sow unit and buy the best genetics. Today, they own shares in the sow barns that supply 100% of the pigs needed for synchronized rotation between their three nurseries and seven finishing units.

PASSING IT ON

According to Chris and Clare, their integration with other producers who own nurseries and finishers has helped prepare the Veldhuizen farm for future generations. Their daughter Melissa and son-in-law Brad Prouty joined the farm in 2007. Their oldest son, Ryan, came back two years ago and their youngest son, CJ, will graduate from college this spring. (Chris and Clare’s oldest daughter, Krista, and son-in-law Ryan Bos live in Sioux Falls, SD.)

“Everything we do now is so that Judd’s offspring can farm later and be good at it,” says Chris, referring to Brad and Melissa’s 3-year-old son. That’s why he and Clare, still actively participating in the Veldhuizen family farm, are poised to turn ownership over to their children. “It’s not about us,” they say. “Our whole intent in life has been to farm for the next generation.

“If Christiaan were here, he would love this,” says Clare, referring both to the advances in farming and the preparation for future generations.” ■



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Four generations of Veldhuizens include, left to right, Clare, Chris, Judd Prouty, Elmer, Marie, Melissa and Brad Prouty, Krista and Ryan Bos, Ryan, and CJ.

ANIMAL WELFARE AUDITS: OFF TO GOOD START

BY CARISSA ODLAND, DVM

In a proactive approach to nationwide awareness for the well-being of animals, we have established the Pipestone System Animal Care Program. The program includes certifying all employees involved in handling pigs through the Pork Quality Assurance Plus® program, as well as working to certify employees through the Transportation Quality Assurance program.

Additionally, Pipestone System has gone one step beyond these industry-wide training programs by conducting third-party audits, based on PQA Plus®, at all sow farms to validate the integrity of the Animal Care Program.

To date, we have successfully completed

animal audits at half of our managed sow farms and are on target to complete the other half in 2012.

The third-party audit evaluates four areas:

- Health and physical condition of the animals.
- Animal handling and husbandry skills of the caretakers.
- Environment and facilities.
- Record-keeping of animal care activities.

Our goal in conducting these third-party audits is continuous improvement. Our first priority is to make sure animal care and handling is top notch; this is expected of all employees. We understand society's desire for documentation of our activities to help build and maintain trust,

but we believe that taking care of our animals should be job #1.

Overall, animal caretakers on our sow farms are doing well on their handling and husbandry skills. We were pleased with the performance and scores at the barns that have been audited so far. One of the areas needing improvement is documentation.

This initiative represents a long-term investment as we improve the Pipestone System Animal Care Program. I'm happy to report that we are off to a good start. ■



With half of our sow farms audited, we're pleased with the performance and scores.

SURVIVING FUTURES CRISIS OF CONFIDENCE

The demise of MF Global left pork producers wondering what they should do differently to manage risk. Prior to MF Global's bankruptcy announcement October 31, 2011, several Pipestone System shareholders hedged livestock sales and input purchases via the Chicago Mercantile Exchange, which used MF Global as a clearinghouse.

The bankruptcy trustee subsequently reported \$1.2 billion missing, including the segregated hedge fund accounts of thousands of farmers. A percentage has since been returned, but one-quarter of these funds remain frozen, leaving producers like Randy Spronk and many others wondering whether he will ever see his money and how to keep this from happening in the future.

As Vice President of the National Pork Producers Council, Randy has watched the response of pork producers and other agribusinesses across America to this crisis of confidence in futures trading. "Some are obviously looking at more due diligence to assure the safety of their funds," he states. "Others have decided not to participate in risk management."

Spronk Brothers of Edgerton, MN, has taken a middle road.

"We've tried more due diligence by asking where the funds in our hedging account are being invested," he states. "We've also tried to maintain a lower excess cash balance so there are no funds in our account over and above what is needed for trading." Randy does this by authorizing ACH transfer of funds to and from his bank account. Any excess funds in his hedging account are sent back to his bank and the bank sends money to CME whenever his hedging account is short.

"The idea is that we don't leave money out there that can be used to pay down the European debt," he chuckles.

The MF Global bankruptcy and the likelihood that hedging account funds were comingled with funds transferred to subsidiaries in other countries has resulted in a crisis of confidence among producers. Randy sees no other alternative to continuing to use futures trading to reduce risk.

"In order to restore confidence, the financial industry needs to make sure the funds are fully recovered and to make the improvements necessary to guarantee this doesn't happen again," he states. ■

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DON'T MISS OUT

Swine Line is going electronic. Contact Sharon at sjacobson@pipevet.com to sign up or update your email.



SOUP'S ON AT LOCAL FOOD SHELVES

At the start of each New Year, when cold winds sweep the upper Midwest and families struggle financially, Pipestone System employees give back to their communities through two fun and competitive programs: Soup It Up and Random Acts of Kindness.

For the fourth year in a row, the System's 600 employees at 40 locations in four states were urged "to collect a contribution of food and life's necessities" to be given to local food shelves for distribution to families in need.

Running Jan. 16-27, the 2012 Soup It Up program was again billed as a challenge to see which Pipestone System location could collect the most food and nonfood items per full-time employee. The best participation was promised a meal served

by the human resources staff at the winner's location plus possession of the coveted "Silver Spoon" traveling trophy for the next 12 months.

The 2012 winner is Windy Plains Farm with seven full-time employees and a donation of 504 items plus 200 pounds of pork. The employees of Windy Plains delivered their donation to a food shelf in Clark, SD.

"Making a difference in our community is our first motivation for Soup It Up," says human resources director Donna Hazelton. "But Soup It Up is also a way to bring spirit to our work and enjoy what we do."



Coveted Soup It Up "Silver Spoon" traveling trophy.

RANDOM ACTS OF KINDNESS

This is the third year Pipestone System has sponsored Random Acts of Kindness, an opportunity for employees to give back to their community in some very creative ways. "We give each location \$50 in seed money and see what our employees will do with it," says Donna. "Over the years, our employees have been very creative."

For instance, Cougar Run Farm in Fairmont, MN, used their seed money to host a

community dinner and raise several thousand dollars towards the purchase of a new sound system for their local gymnasium. Blue Stem Farm in Mitchell, SD, raised money to supplement the local school lunch program by sending brown bags of nourishing food home with children who didn't have enough to eat on weekends. Pipestone's Calumet Farm raised matching funds from local businesses to purchase phone cards and give them to National Guard troops headed for Iraq and Afghanistan.

Each year, awards are presented to Pipestone System locations winning the categories of Biggest Money Multiplier, Most Creative, and Largest Area/Most People Affected.

"Random Acts of Kindness has generated \$31,725 over the first two years for the communities in which we work and live," says Donna, adding, "It's really just people caring for people."

The 2012 National Random Acts of Kindness Week is February 13-19. Pipestone System will participate in Random Acts of Kindness February 13 to April 16. ■

