

In life, and in business, change is inevitable

❑ Companies that adapt thrive and prosper, but those that don't, often disappear

In life and business there is nothing more certain than change, and we all have witnessed many changes in our lifetimes.

I know my father certainly did.

Recently, my father went to be with his Lord. During his lifetime he lived through many changes and learned to adapt.

When he was young and starting out in business, he witnessed a big change in the transportation business as we moved from gasoline powered vehicles to trucks with diesel engines. Back then he also had to deal with heavy regulations within the trucking industry. The restrictions were so tight that you had to have permits from the government to transport most freight.

In those days the system was very inefficient as trucking companies were forced to deadhead miles to pick up freight they had permits to haul. My father adapted to the system by hauling freight out of Michigan and buying loads of grain out of state to haul back. The rules allowed you to transport any product you owned, so he became more efficient as he cut down on the miles he traveled with empty trucks. It worked well because Michigan was a grain deficit state.

But the world changed, as it always does, and Michigan began growing more corn as varieties that grew better



PROGRESS: Meeuwsen Produce and Grain, the predecessor of PGP affiliate Zeeland Farm Services, started in 1950 in Michigan with one employee - owner Bob Meeuwsen - and one truck. Today the company employs more than 300 and its various freight divisions have more than 100 trucks operating throughout the United States.

Cliff's Notes

By Cliff Meeuwsen

in colder climates became available. Transporting corn back into the state did not work anymore, so my father changed once again. He started hauling grain within the state, then out of the state as production increased.

His backhaul became protein to feed livestock. As his customer base grew, he bought more and bigger trucks. He also built a grain elevator to more directly serve the grain producer.

Looking back, I wonder where our family business would be if he had not changed when the business climate changed. If my father had not grown

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RIDE THE WAVE



A little momentum is better than none. See **Page 2**

INCHING UP



DDGS prices remain strong after China scare. See **Page 3**



Tradition

Establishing tradition is wrapped into everything we at PGP do. From buying corn, to selling DDGS, to providing freight services, the employees of PGP strive to provide superior customer service and quality products that will endure for generations to come.

Cold weather presents operational challenges

By Eric Meeuwsen, General Manager

It has been a very cold winter in central Pennsylvania and the employees at PGP have done a great job running the plant in the cold weather and tackling all the challenges that it can bring.

The plant has been steadily running at its capacity rate, but we continue to look for ways to improve our overall performance and make sure we are operating as efficiently as possible.

The weather has presented a challenge for the truckers as well. The corn supply has been steady at PGP when the weather has cooperated with good roads, allowing the truck traffic to flow well.

Despite the snow and cold, our truck

Plant update

fleet continues to carry corn into the plant. If you need corn hauled, give us a call to schedule a pickup.

We recently upgraded our payloader fleet at PGP, which has decreased our loadout times for wet cake. The new loader also means we have a better back-up if one loader needs to be sidelined for a short time for repairs or maintenance.

We continue to look to the future to better serve our customers and offer them more ways to move grain. We have also explored improving and expanding our grain storage at PGP, which will al-



PGP photo

CLEARING THE WAY: An unusually cold winter has made operating the plant at PGP more difficult, but the employees have risen to the challenge.

low customers to move grain at their convenience.

As always, we thank you for your business and your continued support.

Riding a small wave in the market is better than a wipeout

By Brian Kelly, Grain Merchandiser

Recently, a farmer called about corn prices for the upcoming crop and during our conversation he made a great comment.

"We've been riding this wave," he said. "Now, we need to get busy and start marketing our corn."

That was a good analogy of what has happened in the market over the past few years. In the summer of 2012, farmers rode the wave of prices on the rise. Corn prices stayed strong at harvest and due to tight corn supplies, basis remained strong.

Prices to the farmer were steady over the spring and summer, even though

Corn update

prices on the Chicago Board of Trade were dropping. Then harvest came with \$4 corn. Since October, corn has traded within a 20 cent range and the farmer, on his surfboard, has lost his wave.

Today, we see more corn in storage than in recent years. The market told farmers to store the 2013 crop and sell later. With a strong cash position, many farmers added storage, and with low prices at harvest, some delayed harvest to obtain better prices and reduce drying costs.

What all of that means is there is a lot

of corn out there. And a lot of it isn't sold. When farmers haven't priced or sold much of the current crop, often they market less of the new crop.

Currently, our new crop '14 and JFM '15 prices are higher than new crop '13 and JFM '14! Catching a small wave is better than hoping for a monster wave

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Pennsylvania Grain Processing, LLC

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All questions or suggestions for future articles should be directed to PGP's marketing department.



www.pagrain.com

After incident in China, DDGS prices are mostly recovered

By **Steve Blackburn**, DDGS Merchandiser

Due to high prices for soybean meal, DDGS prices have remained high for buyers.

In early January, prices dropped when China claimed to find unapproved GMO corn DNA in loads of U.S. DDGS. The rejection of the DDGS by the Chinese impacted the market here and DDGS instantly dropped by \$40 per ton.

The prices have recovered some as

Distillers update

soybeans and soybean meal prices increased in February.

Beginning in April, PGP will be offering Canola meal pellets. We will have a regular supply coming in throughout the summer.

Canola meal is a high protein feed and dairy producers say their cows like it.

One producer was using it last year and when prices rose he took it out of the ration. He noticed an immediate milk drop and Canola went back into the ration.

Canola is a very small seed, so getting it pelletized reduces shrink and makes it easier to handle.

DDGS Merchandising

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Cliff: Adapting to change is important in all walks of life

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and adapted when his customers' needs changed, would he have lost customers? Would the business have gone backward in a hurry? How would that have impacted his employees, as they were seeking more opportunity and compensation each year, not less?

Speaking of opportunity, there are many stories that we can relate to as family members having grown up in the business. One such story was relayed to me by a truck driver. The driver had filled out an application to drive for my dad and my dad told him that, as part of the application process, he had to take a truck and back it into an area between two other trucks.

The driver did it successfully, but my dad asked him to do it again. And again. And again. Well, he did it 20 times and when he finished, my dad said "Good bye" and did not hire him on the spot. A week later, my dad called the driver

on a Friday afternoon and said he had a load that needed to be in St. Louis by Saturday morning.

The driver had a decision to make. He could have either taken the load and had a job, or not. He took the load and was awarded the job. He's been with the company ever since.

The scenario raised a couple of questions. First of all, why would my dad ask the driver to back into the same place 20 times? Well, knowing my dad, it was because he wanted to see if the driver would go beyond the call without complaint. If he would, Dad figured he would do that for the customers as well.

Second, why did Dad wait to hire the driver and then put him under pressure to perform on a Saturday when he could have been somewhere with his family? He wanted to see if, when the going was tough, the driver would still be committed to deliver for the customer.

So my father adapted to change, grew

with change and provided opportunity for people around him. If you were committed, he would find you work. That way of thinking served the changing needs of our customers well, and it also left a legacy for our business to follow.

Customers of PGP can rest assured that we will continue to change when they need us to change and grow with them when their needs grow. We miss my father around the business greatly, but his legacy will live on because as he taught us, if you don't go forward you will go backward. You cannot stand still. Life around you will not allow that.

Life is full of change and as we move into spring may we remember the great gifts we have received.

Many of us have lost loved ones who have given us memories and the great futures we have before us. May we look forward and be always thankful.



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AgrowSil marketers set up shop near PGP for backhaul loads

AgrowSil is a calcium silicate-based soil conditioner, considered to be an alternative to lime.

Due to the truck traffic to PGP, those marketing AgrowSil have estab-

lished a loading location at the Woodland Exit of I-80 – three miles east of the Clearfield/PGP Exit of I-80.

PGP neither owns nor markets AgrowSil. As a service to our cus-

tomers, we want you to know about this option for backhauls.

For additional information, please contact Eric George at (725) 525-7599.

Corn: *Catching a small wave is better than no wave at all*

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and ending up taking less. Give us a call to discuss current prices for stored corn and new crop.

As many of you know, we've had some changes in the Merchandising Department at PGP. In early November Jim Gillmore resigned to accept a

position in western Kansas. We wish him well.

In December we welcomed Nikki

Moore as a corn buyer. Nikki grew up on a dairy farm in Clearfield County and has a degree from Penn State in animal science. Nikki began working for PGP in May 2013 in grains receiving before moving to merchandising. She is quickly learning our customers and the nuances of the industry.

Corn Merchandising

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