

Soy plant a path to the future

□ Growth of Fabin Bros. Farms paves way for the next generation to move up

By Gary Brower, Editor

With the third generation poised to move up in the family business, co-owners Rick and Stan Fabin began mapping out a plan that would steer Fabin Bros. Farms into the future.

That plan included cash crops, a cow-calf operation, transportation and grain marketing, things the brothers had been involved in for many years. But they were looking for something more.

Rick and Stan were searching for a venture unique to the western and central Pennsylvania agriculture land-



PGP photo by Brian Meeuwssen

GROWTH CHART: Fabin Bros. Farms near Indiana, Pa., added the soy processing plant to its operation in 2010 as a way to grow the family-owned business to make room for the third generation.

scape that would set the company apart and set up their sons and generations of Fabins for years to come.

They settled on soybeans, a crop the Fabins had been growing for more than 30 years in the rolling hills of Indiana, Pa., and in 2010 Fabin Bros. began operating the region's first soybean processing plant. Meanwhile, they continued to farm about 3,500 acres of beans, corn, wheat and other cash crops while managing a sizeable cow-calf operation.

"We needed to grow the business to bring the next generation into the picture and we also needed to expand into value-added processing," said Rick Fabin. "Most of the (area soybeans) went to Ohio into the hexane plants and then the feed was brought back. We tried to take advantage of the freight difference and the crush margins."

The plant is now in its third year of

Fabin Bros. Farms

Owners: Rick and Stan Fabin

Location: Indiana, Pa.

Type of operation: Soybean processing plant, cash crop production, calf-cow operation and grain merchandising

Employees: 15

PGP customer since: 2012

operation and appears to have a bright future. It processes about 20,000 bushels of soybeans per week, producing 25,000 tons of meal and seven million pounds of oil annually.

Rick said the success is the result of intense planning and forethought, as

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TIME TO MOVE OLD CROP



Sept. basis to reflect harvest market conditions. See Page 2

DISTILLERS IN DEMAND



Market strong for nutrient-rich ration. See Page 4



Values are part of everything we at PGP do. From selling wet cake, buying corn and providing freight services, the employees of PGP strive to provide superior customer service and quality products that are of great value to our customers.

Values

PGP planning for shutdown week, then harvest

By Eric Meeuwsen, General Manager

In July we celebrated one year of operation at Pennsylvania Grain Processing. Looking back, it's been an eventful, but productive year.

Many changes have been made to the plant in an effort to improve operational efficiency and, most important, our customer service. Some of the changes have been large and others barely noticeable, and your patience and understanding as we worked our way through the projects has been appreciated.

And we are not done yet.

PGP continues to look for ways to

Plant update

get better and we have a few things in mind in preparation for fall shutdown, then harvest.

During shutdown, which begins Sept. 9, several routine maintenance items will be addressed and equipment upgrades will be considered.

While the plant will be offline during shutdown, PGP will be loading out ethanol and distillers grains all week. We will likely be open to receive corn toward the middle of the week. Please check our website, www.pagrains.com, or call one of our

merchandisers for more information.

Our first full summer in central Pennsylvania has been relatively hot, but we have learned to adapt to the changing conditions and the plant has continued to run strong despite the heat. There have been some challenges, but the crew at PGP has stepped up quickly and kept things humming along.

Thank you for your support of PGP and for your continued business, and we look forward to serving you throughout our second year of operation and beyond.

We hope you have a safe and profitable harvest season.

As harvest approaches, time is ripe to sell off old crop corn

By Brian Kelly, Grain Merchandiser

If you are reading this and still have old crop corn unsold and in a bin, today might be the best day to call Pennsylvania Grain Processing to sell your corn.

While the corn in Pennsylvania (and neighboring states) is a month or two away from harvest, the southern United States corn harvest has started. Therefore, our basis in September will begin reflecting the harvest market.

We have heard some area producers are planning an early harvest. Late September and early October delivery should provide you with a better basis than November delivery.

Corn update

You'll have to calculate your costs, but harvesting some corn a little wetter and spending a little more to dry it may be profitable. This could be very beneficial if you have limited storage and need to sell corn at harvest. While what we pay for corn is important, we do want to provide you with the best possible price. Give us a call to discuss your options.

As a reminder, PGP needs dry corn. Specifically, we need it below 16.5 percent moisture. While hand-held testers and combine monitors are good tools, a state-certified tester will pro-

vide an accurate moisture test. We are happy to test a sample, but you may have options closer to your farms.

We have identified some producers with the capacity to dry corn. If your corn needs drying, or you have neighbors whose corn needs drying, please give

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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.

Fabin: Soy plant provides market for west Pa. growers

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well has the hard work of the dedicated Fabin Bros. Farms employees.

It is also the by-product of years of relationship building in the region that dates back to when the farm was owned and operated by their father, Robert.

"This was entirely new to us. Even though I feel like it was very well thought out and studied, there was still a lot of good fortune and good friends and allies in the industry that made it successful," he said. "We are eternally grateful to our friends and allies in the industry for putting a lot of faith and confidence in us. It wasn't all us just doing the right things. It's been some good fortune, also. Being lucky is sometimes better than being good."

Rick and Stan hope that good fortune continues as the third generation of Fabin begins to move into key roles within the company. Rick currently heads up the business side of the operation and Stan leads the production side, and their sons have stepped up to take on more responsibilities in the farm's day-to-day operation.



PGP photo by Brian Meeuwssen

FUTURE PREP: Rick Fabin, co-owner of Fabin Bros. Farms along with his brother, Stanley, have set the business up for the future by moving their sons into leadership roles.

Stan's sons, Dan and Chris Fabin, have returned to the farm within the last five years. Dan has an agricultural engineering degree and an MBA from Iowa State University and is beginning to take over leadership of the agronomy portion of the company. Chris, who studied criminal justice at Penn State, is learning to manage the soy plant.

Rick's son, Andy, earned an agribusiness management degree from Penn State and has a Commercial Driver's License. He has worked at

Fabin Bros. since 1996 and drives for FBF Transport. He is involved in the cattle side of the operation and is moving toward a leadership role in the logistics and marketing portion of the business.

"We are trying to find the right fit for all of them and be sure we are putting them into situations they are comfortable with," Rick said. "It's our challenge to put them into the proper positions and mentor them and train them, then let them run with it."

As the soy processing side of the business continues to grow, the Fabin boys should have a solid base under them as they get set to take over the reins from their fathers.

The plant utilizes an all-natural, solvent-free extrusion process to extract oil from the beans before they are ground into soybean meal. The meal is marketed to dairy and poultry producers throughout the region as a nutrient-rich feed product, while the unrefined oil has been sold as a feedstock additive and to the biodiesel industry. The natural products have proven to be very popular with area producers.

"Most of our product travels within a 200-mile

radius, maybe 250 miles. We do have that rare customer who is outside that, but they use it because it is a very specific product with a very specific use," Rick said. "I've shipped oil as far as the Carolinas and back into Ohio and over to eastern Pennsylvania. It has fed both the livestock and the biodiesel industry."

What it hasn't fed yet is the food industry, but Rick said the potential exists. There has been interest in the oil because of the natural extraction, leading the Fabin family to explore the export oil market. However, Rick said the economy of scale is not there yet.

"We have had a tremendous amount of export interest, but I have not been able to take advantage of that because we cannot produce enough yet," he said. "I think there is tremendous opportunity out there. If we can take advantage of the opportunity, there is room for a lot of growth. I'm very optimistic about where agriculture and agribusiness can go for those who are willing to embrace it and take advantage of the opportunities that are out there."



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DDGS prices remain strong, increasing demand for product

By Steve Blackburn, DDGS Merchandiser

This summer has been interesting for the distillers grains market. While the Chicago Board of Trade price of corn has dropped, the basis price has been strengthened.

Ethanol plants have had to pay up for corn and that kept the price of DDGS strong. As prices strengthened, demand for our DDGS began to increase, which, in turn, put some pressure on our supply. While it is great to have high demand, it did get interesting

Distillers update

when we suddenly went from having plenty of inventory on hand to being a little tight.

As we move through summer, Vomitoxin numbers tend to increase. The longer grain is stored, the greater the risk for mold growth to occur. But it has been a good year so far, with Vomitoxin tests in the DDGS consistently reading under 3 ppm.

As we move into the fall, distillers

grains prices will be unsettled as corn prices adjust from the higher summer prices to the lower harvest-market prices.

We look forward to continuing to serve our DDGS customers with high quality and competitively priced feed ingredients. If you are interested in contracting distillers grains for the next year, please give us a call.

DDGS Merchandising

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Corn: Some producers planning to harvest corn early

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us a call. We can suggest some drying options close to you.

We completed our first year of operation at PGP in mid-July. We have made many improvements to the plant in an effort to increase efficiency, pro-

ductivity and our customer service. A

Corn Merchandising

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steady source of corn, delivered by truck from the producers, is one of the key factors to our success.

From all of us at PGP, we thank you for your business and we look forward to serving farmers and agriculture for many years.