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Michigan's dairy and livestock sectors on track for long-term growth, experts say at MABA Outlook Conference

MACKINAC ISLAND – Michigan livestock industry leaders outlined challenges and opportunities for the state's dairy, egg and pork sectors during the **Michigan Agri-Business Association's (MABA) 2015 Fall Outlook Conference**.

"Livestock is a major segment of our agricultural economy and along with a changing landscape in the dairy, egg and pork sectors, there's real opportunity to grow," said **Jim Byrum**, president of **MABA**. "We must stay ahead of consumer trends, continue our work to become more sustainable, and keep an eye toward the future."

Ken Nobis, president of the **Michigan Milk Producers Association**, gave an overview of the current downturn in dairy markets, while highlighting some high points of the industry and efforts to prepare for future growth.

"Even as we see a downturn in prices likely to continue into mid-2016, Michigan's milk producers are well-positioned to keep growing, and MMPA is here to facilitate that growth," said **Nobis**. "We have specialized field staff, a renewed focus on ramping up sustainable production, and expanded capacity to create export-ready products with more than \$100 million in infrastructure investment in recent years."

Michigan ranks 7th nationally in milk production and milk was the top cash product in Michigan agriculture last year. Michigan's 9.6 billion pounds of milk production in 2014 represented nearly a 5 percent increase over 2013, and contributed more than \$14.6 billion to Michigan's economy.

Nobis said a combination of favorable climate, access to land and water, and modern infrastructure have contributed to that success. Wavering export demand, especially from China, has led to a period of low prices – however, the global expansion of a middle class and additional demand for protein will likely lead to long-term opportunity, he said.

Greg Herbruck, executive vice president of **Herbruck's Poultry Ranch**, highlighted the widespread, industry-altering affects of Highly-Pathogenic Avian Influenza (HPAI) that led to losses of 7.6 million U.S. turkeys, 38 million layer hens and 4.8 million pullets earlier this year.

As a result of HPAI, egg producers nationwide have undertaken significant new biosecurity measures to guard against the spread of disease. In Michigan, that has included monitoring all gates to facilities and limiting entry to critical visitors, upgrading and building truck and tire wash facilities at entry points, and other measures that have kept Michigan's poultry flocks unaffected by HPAI.

Herbruck also noted that meeting customer expectations on egg quality and animal care remain top of mind. While cage free production carries some increased cost, he said Herbruck's Poultry Ranch has constructed only cage-free houses since 2004, a period that saw the company double in size.

Byrum added that the new commitment of major food service companies to source cage-free eggs is also a major driver of expansion in Michigan's egg industry. McDonald's announcement last week, coupled with other opportunities will change the egg industry forever, he said.

With the news of a major new pork processing facility coming to Coldwater, Michigan, **Joel Phelps of Great Lakes Pork, Inc.** outlined the new economic opportunity provided by the plant, owned by **Clemens Food Group** and expected to begin operations in 2017.

According to Phelps, the new plant will be nearly 640,000 square feet in size, processing 2.6 million hogs per year when it begins operating with one shift. An expansion to two shifts is expected within five years, by 2022, and will double processing capacity to 5.2 million hogs annually.

The new plant was a result of a public-private planning effort of more than three years. Located in the eastern corn belt, with access to suppliers, distribution networks and major population centers, **Phelps** said the Coldwater plant will be well-positioned for success.

The new facility also means Michigan will need to produce more hogs for processing at the plant. In turn, this could boost opportunities for Michigan's grain and feed industry.

"Michigan's dairy and livestock sectors are constantly changing, and even with some challenges on the horizon, we're clearly well-prepared for long term growth in the livestock sector," said **Byrum**.

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