



Testimonial

Owner: Jason Cole, Odenville, AL
Pet: Spot
Breed: Ridgeway's Tree Spot English Pointer
2007 UFTA Amateur High Point Dog of the Year



After one month of feeding Loyall® Professional formula, my decision was made. The dogs have more drive and energy in the field. After months of research I have learned that good digestibility is the key to that, nobody wants to run on a full stomach. The dogs maintain their body weight while working day after day. I haven't found another dog food that can do that. The price was a little scary at first, but when you can feed a 65lb bird dog 1 ½ cups a day and he is still in fit condition performing at the top of his game, it's far cheaper in the long run. I have a 4 yr old dog that was constantly medicated with antibiotics in a battle with dermatitis month after month. With Loyall® he has not had medication for almost 4 months now and his coat is slicker and shinier than it has ever been. It didn't take long for me to see that if I wanted to continue to compete at the national level or just provide a good home for my pets, that Loyall® is the way to go. Thanks Loyall® and keep up the great work!



Newsletter



- Inside this issue:
- Onslow Feed & Grain P.1
 - Onslow Feed & Grain P.2
 - Record Rack® & Mossy Oak® P.3
 - Safety Culture P.4
 - Glycemic Response P.5
 - The Margin Trap P.6
 - Recycling Plastic Feed Bags P.7
 - Loyall® Testimonial P.8

Nutrena Dealer Profile

Onslow Feed & Grain

Location: Richlands, NC (SE North Carolina)
Owners: Stan and Elsie Jones
Manager: Bret Williams
Nutrena Dealer since: 1999
Hours: Mon-Fri 8-5:30, Sat 8-1:00
Staff Size: 6
Store Size: 1500 sq ft retail, 5000 sq ft warehouse with drive-thru
Territory Leader: Total Tons (1700 tons), Total Horse (800 tons), SafeChoice (215 tons) and Pet Food (350 tons).

Onslow Feed & Grain is more than a customer. Onslow Feed & Grain is a loyal partner. They operate a big business in a small town and have built one of the most successful feed businesses in the Carolinas over the last decade. They believe in Cargill Animal Nutrition products as much as Cargill Animal Nutrition believes in their ability to service their customers with excellence. They don't just sell feed. They solve problems, offer solutions and represent the Cargill Animal Nutrition brands to their customers, community and countless others. In fact, Onslow has been a leading influencer in prospective stores becoming a Nutrena dealer. Several new accounts have been sold with the following words . . . "You should visit with Stan and Elsie at Onslow Feed & Grain before you make your decision." They succeed because

people can see how much they care and their customers always get the high level of service that is hard to find in any business these days.

How did you get started in the feed business?

(Elsie) My father began in the feed business as a Nutrena dealer in 1954. He operated a separate store in town called Richlands Milling. Onslow Feed & Grain was a grain elevator before it became a feed store and satellite location to Richlands Milling. We catered to the hog business and the bag feed business. We operated Onslow Feed & Grain as a Purina dealer until 1999.

How did you become a Nutrena dealer?

(Stan) In 1999, Elsie's father's store closed. Also, at that same time, Purina decided that despite us being a good customer for 25 years, they would take away our dealership and give it to another store a

Continue on pg 2



Just one way Onslow Feed & Grain makes the competition eat their dust.

Cargill Animal Nutrition
P.O. Box 2921
Kansas City, KS 66110





The Friendliest Staff in Town. (Left to Right) Stan Jones, Elsie Jones, Bret Williams, Charles Williams, Kevin Futrell, Matt Williams.

Continued from pg 1

few blocks away. So in 1999, we became a loyal Nutrena dealer. As it turned out, this unexpected change would cause the business to grow by leaps and bounds.

How has your business changed in the last ten years?

(Elsie) Our business has grown by at least 100%. The types of feeds being sold have changed dramatically. The growth of Jacksonville, [a military city that feeds the suburb of Richlands], has brought lots of new customers. We remodeled the showroom about 2.5 years ago, which put more of an emphasis on animal health products.

Rank your types of feed sales ten years ago versus today?

(Stan) Ten years ago most of our feed volume was swine and beef with little focus on horse and pet food. Today, it has been totally reversed with horse and pet food dominating our sales and beef and swine have been cut way back.

How has your business been affected by the rising commodity prices of the last two years?

(Stan) It has caused stress as we followed the price increases and it has certainly changed the conversation we have with our customers, but through it all I don't think we have lost any of our customers and we are getting new customers all the time.

What do you think the next ten years in the feed business will look like?

(Elsie) Lots of changes. More efficiency and new ingredients. More consolidation of feed choices.

To what do you contribute your success?

(Stan) To God be the glory. We have tried to maintain a family business with a focus on customer service and consistency.

Why do customers buy from Onslow Feed & Grain?

(Elsie) Bret can help with any customer's animal needs. Industry contacts and experience, have made Onslow Feed & Grain the place to go for people with a question or problem about their animals.

What would you tell someone looking to get into the feed business?

(Elsie) Be cautious. Watch your margins closely. Concentrate on a solid location and beware of absentee ownership and unrealistic overhead costs because they will limit or prevent success.

What has been your biggest surprise in today's animal nutrition business?

(Stan) The rapid rise in prices compared to previous years has surprised me the most. The fact that super-premium feeds such as Farr® XTN® and Loyall® dog foods have done so well and are here to stay has also been a surprise, but a good one.

What activities do you conduct each year for your customers and advertising purposes?

(Elsie) We have a horse meeting at least once a year that usually draws 75-100 people. We also have a cattle meeting every year and have had dog meetings in the past. We have a rabies clinic and pet food sale every spring and fall. Around 400 dogs get a low cost vaccination in about 5 hours. The fish truck sets up about 4 times per year and we usually have a sale on the Farm Pond Floating Fish Food. We sponsor the local rodeo, have our logo on a local racecar, and advertise in the local paper every month.



Onslow Feed & Grain is a cornerstone of the Richlands community.



Click here to learn about:
Recycling Plastic Feed Bags

Nutrena® will be launching a new webpage to address customer concerns regarding the plastic feedbags that are being used. The image above will be featured on the home page to direct consumers to the following list of FAQ's.

Nutrena® recognizes the importance of being good stewards of the earth. Listed are some commonly asked questions about recycling the plastic feed bags that many feed products are sold in.

1. What are plastic feedingbags made of?

The plastic used in Nutrena feed bags is polypropylene (PP), which is a class 5 resin.

2. What do the different classes of plastic mean?

Plastics have a variety of chemical properties and uses. For example, Polyethylene terephthalate (PETE) is used for soda bottles,



while High Density Polyethylene (HDPE) is used for grocery bags. PP is the common designation among plastic companies for polypropylene used in Nutrena feed bags. Some are more easily recyclable than others. The number designation inside the recycling symbol

can be used to help find a facility that will recycle that type of plastic.

3. Can I recycle Nutrena's plastic feedbags?

Yes, if the recycling facilities in your area accept class 5 plastics. Class 1 & 2 resin plastics are the most commonly recyclable, however there are a number of recyclers that will take class 5 items such as feedbags. To find recyclers in your area that will take feedbags, please visit www.earth911.org. Simply enter "Class 5" and your zip code in the search bar at the top of the home page and a list of area recyclers will be displayed.

4. Why is Nutrena using plastic bags instead of paper?

This style of bag offers a number of benefits to our customers. Polypropylene (poly) bags are more durable and water resistant than paper bags. Poly bags reduce feed waste and products sustain freshness for longer period of time.

5. Do I have to do anything to the bags to recycle them?

Different recyclers may have different requirements. Some may require that the tape at the end of the bag be removed, and some may require that sweet feed or pet food bags with oily residue be rinsed out. Please contact your local recycling facility to understand the requirements.

6. Can I burn Plastic bags?

Burning the plastic feedbags is not recommended. Please note that many paper bags also have plastic liners, and thus should not be burned either.

"Recycling one aluminum can saves enough energy to run your TV for three hours."
--Reynolds Metal Company

The Margin Trap

By John Wallace

Margins are the life blood of any business and extremely important for the survival and prosperity of that business. In the current feed environment where prices have rapidly risen to levels not seen in the past, it's important to keep focused on what it takes to stay profitable, and not find ourselves caught in the "margin trap."

The concept is simple. As feed prices go up, margin/bag must go up also. If it doesn't, then the % margin will go down, possibly worsening our financial position. To make this a little clearer, let's look at two different dealerships:

Fast Freddy's Feed & Supply – Freddy prices feed in order to make a 20% margin on sales. That means for every dollar sale he rings up, 20 cents goes to pay expenses and hopefully leave a profit. Last year Freddy could buy product XYZ for \$6.00. To make the required margin, that \$6.00 bag of feed sold in the store for \$7.50.

$$\$7.50 - \$6.00 = \$1.50 \text{ profit/bag } (\$1.50/\$7.50 = 20\% \text{ profit margin})$$

Today that same product XYZ cost Freddy \$10.00. Now to make his required margin, this \$10.00 bag of feed needs to sell for \$12.50.

$$\$12.50 - \$10.00 = \$2.50 \text{ profit/bag } (\$2.50/\$12.50 = 20\% \text{ profit margin})$$

In Freddy's situation, and in many situations we see in the field, his \$ sales are up compared to last year. One of the main reasons of course is because the price of a bag of feed has gone up dramatically. He can easily have increased dollar sales and even be down in the number of bags sold. In Freddy's case, his financial situation is not hurt with less bags sold because he is still making \$.20 for every dollar sale rung up.

Lucky Larry's Feed Store – Larry prices feed in order to make \$1.50/bag on everything. Last year on product XYZ, Larry's margins were the same as Freddy's or 20%. Then things changed. Product XYZ, today at a cost of \$10, is selling for \$11.50/bag in Larry's store, and he's still making his \$1.50/bag. But what has happened to Larry's margin?

$$\$1.50/\$11.50 = 13.04\% \text{ margin}$$

It has gone down almost 7 percentage points. What this means is for every dollar sale he rings up, Larry is only making 13 cents instead of 20. While he is in the same boat as Freddy with higher dollar sales this year compared to last, Larry is in a very different situation. Unless Larry's selling more bags this year compared to last, he's making less money.

We are limited by what the competition in the marketplace does to a certain extent, but it's important to be aware of the "margin trap". Customers in our business have cut back some because of the economy and high prices, that's pretty obvious. With that, there are the same number of players chasing fewer tons. Often when that happens, some players get out of the game. We need to make sure that the competitor is the one that gets out if there's any getting out being done. The profitability and longevity of your dealership has always been and still is the most important thing to Cargill Animal Nutrition. These are tough times, but we've had tough times in the past and gotten through it, and we'll get through this too.

Record Rack® & Mossy Oak® BioLogic® Announce a Strategic Alliance



land manager a "total program" for white-tail nutrition that is above and beyond anything that the rest of the industry can provide."

Mossy Oak BioLogic and Cargill Animal Nutrition have completed a co-endorsement agreement effective in June 1, 2008. Mossy Oak Biologic is an internationally recognized food-plot seed company that specializes in scientifically proven wild game products. Cargill's Sportsman's Choice Record Rack Deer & Elk Feed offers a complete supplemental feeding program for game managers and sportsmen alike. Both companies say that the partnership underscores the value of incorporating food plots and supplemental feeding into a well-planned wildlife management program.

BioLogic and Cargill sought to partner with the absolute best in their respected industries to offer customers a whitetail nutrition program like no other. "With the Record Rack line gaining momentum nationwide, it only made sense for us to work on educating wildlife enthusiasts as a team. BioLogic food plots are a wonderful compliment to our complete feed lines and round out a 365-day a year program," states Heidi Leef, Sportsman's Choice Brand Manager. "Our team is proud to be working with BioLogic and looks forward to the success of both brands, and the success of wildlife enthusiasts everywhere."

Bobby Cole, Vice President with BioLogic had this to say: "We believe that Cargill produces the absolute best when it comes to deer feed with their Record Rack line-up of products. We also understand that supplemental feeding may be necessary to nutritionally give a deer herd everything they need. Between the superior food plot products that BioLogic offers and the supplemental feed choices that the Record Rack line has we can now offer a

How will this affect our Sportsman's Choice Record Rack Business?

- Mossy Oak BioLogic is one of the most recognized brands in the hunting industry- we will gain momentum by partnering with another brand to capture market share.
- Mossy Oak will be promoting Record Rack on their television shows: *The Management Advantage*, *Wildlife Obsession*, *Time Well Spent* and the magazines: *Farming for Wildlife* and *Mossy Oak Hunting the Outdoors*.
- Record Rack packaging will carry the endorsement logo of Mossy Oak BioLogic. The BioLogic products will in turn carry the Record Rack endorsement.
- Our team will be able to work with the wildlife marketing team at Mossy Oak. With over 10,000 media and publicity contacts, their reach is strong and highly respected.
- Record Rack will be represented with the BioLogic products at major hunting/wildlife tradeshows across the US including the ATA & SHOT Show.
- Leveraging the retail channel knowledge and relationships of Mossy Oak BioLogic will support us in our sales efforts to wildlife/hunting mass retailers.
- The BioLogic team is very engaged to support our brand, thus multiplying our sales team. This includes cross-promoting the brands, co-training and selling opportunities.

For more information, please contact Heidi Leef, Brand Manager- Sportsman's Choice. 952-984-1846. See more on Mossy Oak BioLogic at www.mossyoakbiologic.com

Safety Culture

“Engagement and teamwork are the tools needed to achieve sustainable safety performance.”

The fact that safety and engagement are linked is no secret. It has been understood that engagement is a key factor of sustainable safety performance. One of the reasons behind this is the fact that everyone must look out for their peers and be comfortable in the fact that their peers are looking out for them. Letting someone know before they commit an unsafe act is an example of caring and teamwork. Therefore, engagement and teamwork are the tools needed to achieve sustainable safety performance.

With this in mind, is it possible that the opposite can be true as well? Can safety drive an improvement in engagement and teamwork? The answer is yes. The emphasis put on safety over time can make it a prime candidate for a rallying point to improve engagement and teamwork. It is easy to understand increased emphasis on safety to allow everyone to go home to his or her family each day. Improvements to equipment and work can be made to create a safe physical work environment, but at the end of the day, if people are not looking out for each other, the risk is still there. For example, slip hazards such as ice in the winter and water in the summer will continue to be present to some degree regardless of our efforts to reduce them.

You can make a difference, begin the safety journey today and see how others around you become engaged.

Are You a Safety Champion?

Safety Champion

- Consistently goes above and beyond working safely
- Openly promotes a safe work environment and encourages others to work safely
- Actively confronts unsafe acts and progressively pursues solutions
- Thinks proactively identifies new programs/actions before near miss or accidents
- Practices safety in their personal life

Safety Supporter

- Works safely and does not endanger themselves or others
- Strongly supports a safe work environment and encourages others to work safely
- Supports new improvements through actions and words
- Needs little to no coaching once understands safe practices
- Practices safety in their personal life

Safety Disengaged

- Does not believe all accidents are preventable
- Looks for others to create a safe work environment
- Needs to be frequently coached on safe work practices
- Does not practice safety away from work
- Too often applies poor judgment

Glycemic Response

Dr. Jason Shelton, Roy A. Johnson, Cargill Inc.

Glycemic response is one of the hottest and possibly the most misunderstood topics in Equine Nutrition among horse owners and veterinarians.

To understand this concept, we need to take a step back and understand biological factors behind glycemic response. When food is ingested, starches and sugars are broken down into glucose and absorbed into the blood stream causing a rise in blood glucose levels (see figure below). This rise in blood glucose levels triggers a rise in insulin, a hormone that is needed for glucose metabolism and many other functions in the body. After a certain amount of time the glucose level will begin to drop until it reaches the normal baseline. Over the past several years, a key focus in the Equine feed Industry has been in feeding low amounts of starch and sugar to reduce the glycemic response and to reduce the risk of some metabolic disorders. High glycemic response also has been linked to DOD in young horses, possibly as a result of the fluctuations in insulin levels. We are also hearing more about insulin resistant horses, possibly due to a greater number of senior horses and overweight horses.

Lower may not always be better when it comes feeding starch and sugars to horses, particularly performance horses, because we know that starches and sugars are needed in the diet to provide glucose for energy and for glycogen repletion. We also understand that different horses may need different levels of starch and sugar based on activity level and physiological state (i.e. lactation, growth, etc.). Nutrients other than starch and sugar can affect glycemic response. Fat historically has been used as a safer energy source and to reduce the level of starch included in the diet. Fat also has some biological effects on glucose and insulin (i.e. gastric emptying) that need to be considered especially for long term feeding. Protein, which is mainly used for muscle growth, can also play a role in glucose metabolism. Fiber can also play a role in glycemic response by changing passage rate and affecting digestibility of some nutrients.

All of these factors make it imperative to understand glycemic response and to develop feeds for horses that control glycemic response in a manner that fits with the type and activity level of horses. Low starch and sugar may not be the best solution for all horses.

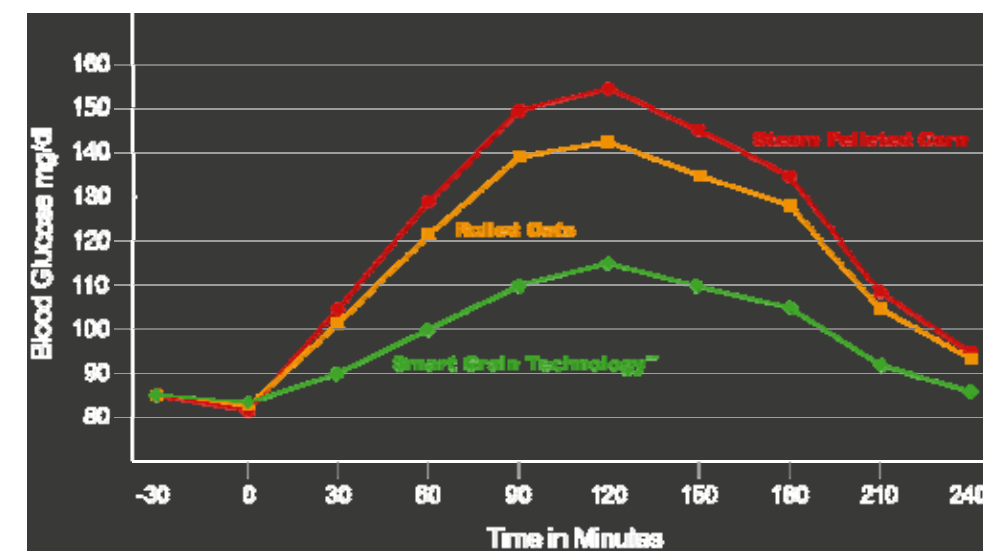


Figure 1. Effect of different ingredients and Smart Grain Technology™ on glycemic response in horses