



AgSpeak™

Vol. 5, No. 1



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Engineering
New Products to
Make Your Life Easier



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In the last issue of AgSpeak™, I started with the old saying that “the only constant is change.” The changes brought to our lives by COVID-19 may not have been predictable, but the need to adapt to changes in the agricultural world truly is a known constant for us all.

VAL-CO has continued to operate through this difficult time and has been blessed to have conscientious employees who kept essential equipment flowing to our customers. We have worked to maintain our commitment to supporting our customers with the latest information and training. Through webinars, we have been able to connect with farmers and dealers effectively. You can find a summary of some of these webinars in this issue along with a look at the economic impact that COVID-19 has had on agriculture.

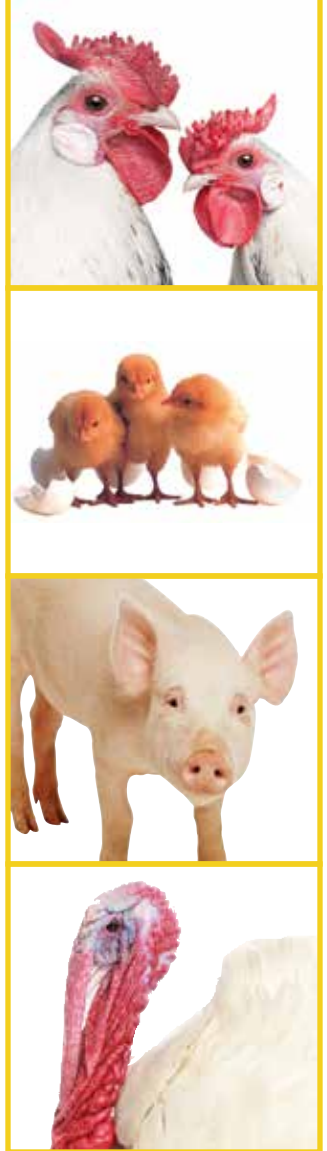
VAL-CO's product development has continued to progress, and you will see the results in our energy-efficient V-Fan™ and the state-of-the-art touchscreen Ventra XT™ controller. These products, along with our Anti-Tilt Brackets and Swinger Nipple Drinkers, have been designed with the user in mind. You can read about some of them, learning of their many advantages and new features, in this edition of AgSpeak.

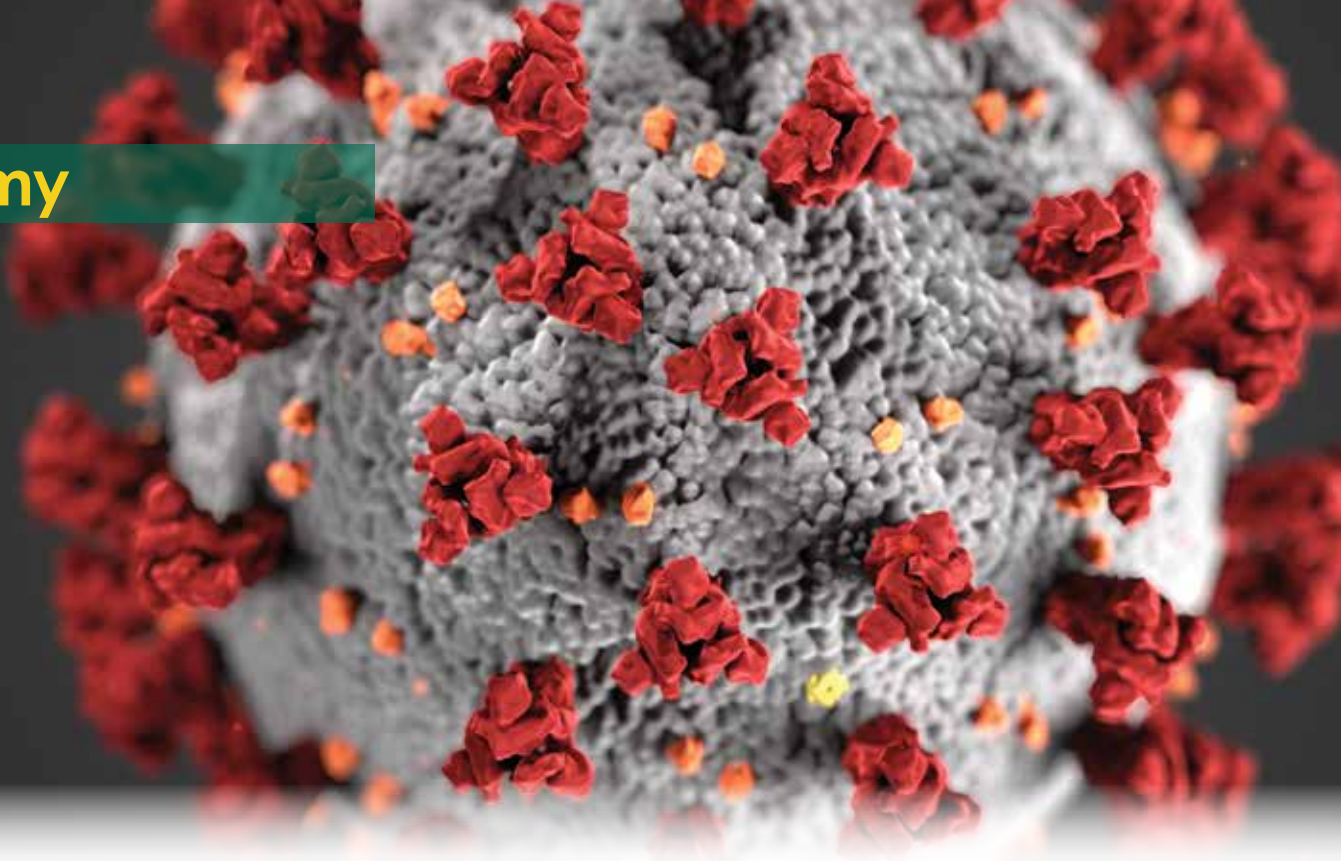
Adapting to change with new products and new ways of sharing information is critical in our current environment. But keeping our focus on customers is a constant. VAL-CO will always be here to help you finish on top!

Phil Risser

President & CEO

Valco Industries, Inc.





COVID-19: What's The Economic Impact On Industries We Serve?

VAL-CO is more than just poultry watering. We produce full lines of equipment to serve poultry markets, egg markets, and swine markets. Like so many others, we've been feeling the impact of the COVID-19 pandemic, but what does that mean for the industries we serve?

POULTRY

According to editors at WATT, the poultry industry won't be spared from the effects of the pandemic, but it likely won't be significantly disrupted, either.

Processing plants have elevated their social distancing and

disinfection protocols, as well as begun checking temperatures and providing face masks. Even with these protocols in place, several major producers have had COVID-19 cases at their plants. Positive COVID-19 cases temporarily shut down over 30 meat processing facilities across the country. There are concerns that production could be reduced or frozen due to worker shortage or mandated plant closures. Worker absenteeism is expected as schools close or workers or their families fall ill.

Due to processing plant closures or staff shortages, growers may have seen longer out times or reduced stocking densities. But in the US,



food producing industries and transportation are considered critical – there should be no disruptions in placement, feed delivery, or processing.

Food service and restaurant demand is significantly down, and retail demand has skyrocketed. This trend will likely continue over the next few months, as retailers and others capitalize on the home delivery market, and restaurants are slow to re-open fully.

Poultry industry associations worked with the USDA FSIS to ease the flow of product marked for food service sale into retail channels. The Federal Motor Carrier Safety Administration relaxed their hours of service limits to allow drivers to work longer than usual to keep the supply chain moving.

The price of poultry has dropped significantly. As of April 10, the USDA national composite weighted wholesale price was down to 50.5 cents per pound, 16.1 cents per pound less than the previous week. The composite price fell a total of 33.2 cents per pound over the first two weeks of April, causing slowed chick placement, which may result in a diminished supply long-term.

Full-service restaurants have reported business is down by 70%, and most closed completely. Companies dependent on the food service sector are hurting, but the resulting surplus isn't showing up

in volume or prices at the grocery store; empty grocery store shelves reflect supply chain challenges, not lack of supply.

EGGS

The table egg markets across the country have soared through this pandemic. Many consumers rushed to stockpile eggs out of panic. With



so many locked in quarantine, baking has again become a popular past time. The incredible surge in demand for eggs and the great pricing situation has eggs flying off the shelves. Demand is so high the egg producers are struggling to keep up.

In March, demand for eggs from retailers had increased almost 150% since March 2019.

Market sources say some retail customers have been placing orders as much as 400% greater than normal. Unable to meet that need, suppliers have been forced to implement wide-scale allocations, and in some cases, they've simply

had to turn customers away. Many producers are supplying local first, since supply can't be increased over night. Rose Acres, for instance, is only guaranteeing retailers the number of eggs its historically purchased.

Prices for shell eggs hit record highs, but other types of eggs (liquid) have hit record lows and

farmers can't find a market for their product.

"We have so many people who are confused about how egg farmers can be losing during this pandemic," said Maro Ibarburu, associate scientist and business analyst for the Egg Industry Center.

While eggs are in demand at the grocery store, the demand for eggs used in restaurants and other hospitality venues like hotels has nearly come to a halt. The makeup of the farms that supply each of these markets is very different and affects the ability of the industry to adjust.

COVID-19: Economic Impact *(continued)*

The Egg Industry Center said the U.S. liquid egg industry is currently more than \$110 million below the 10-year historical April average; prices for liquid eggs are as low as 8 cents/lb., which is cheaper than a gallon jug of retail purified water (priced at 9.6 cents/lb. during the same time frame). The shell egg market, however, experienced a surge in demand that resulted in a high but short-lived spike in prices.

The U.S. Department of Agriculture's latest "Livestock, Dairy & Poultry Outlook" relayed that as fast as shell egg prices increased in March, they decreased nearly as fast in April. Wholesale shell egg prices (New York, Grade A large) fell from \$3.07 to \$1.05/doz. toward the end of April, for a monthly average of \$1.80/doz., an increase of 136.5% year over year. This large increase, USDA said, can be attributed to high wholesale prices at the beginning of the month as well as to the low base price, as prices in April 2019 were depressed due to excess supplies.

Farmers are struggling to find a market for their liquid eggs, even at these historically low prices. As a consequence, some farmers are sending birds through a molt to delay production. Other farmers are culling flocks earlier than planned, which will result in a decreased number of laying hens in the U.S.

"Farmers producing liquid egg for the general marketplace without contracts that cover their basic production costs or in cases where customers are no longer taking delivery will most likely be devastated by this pandemic if restaurant and hospitality industry continue to persist in their present state," the authors said.

SWINE

COVID-19 has caused employee absenteeism to skyrocket, exacerbating the existing labor shortage problem at processing facilities. Many processing and packaging plants closed because of outbreaks among staff. Many plants were short because restaurants and food service is severely diminished. The limited harvesting capacity and surplus of pigs caused hog values to plummet. NPPC estimates that producers

will lose nearly \$37 per hog marketed for the rest of the year.

Exports are still going to China, but it's not enough to sustain the industry. According to the US Census Bureau, the US exported 95,892 tonnes of pork product to China in March 2020. Pork exports to China in the first three months of 2020 totaled 280,502 tonnes, up over 300% over 2019.

The domestic situation is particularly challenging because the pork industry is based on a just-in-time inventory system, creating a backup of hogs on farms because they have nowhere to go. Week ending May 1 the average daily slaughter was down 21% from week prior; down 41% from 4-week prior. Unfortunately, this results in a need to depopulate farms or abort sows because there's nowhere for pigs to go.



Restaurant closures have crashed demand and overwhelmed the cold storage of meat because meat can't be stockpiled long term. In March there were 622 million pounds of pork in frozen storage. But based on 2019 average demand in the US, that would only last about 1.5 weeks.

NPPC has been seeking a legislative fix, suggesting the USDA buy over \$1B in pork to clear out the backed up meat supply, urging congress to make agricultural businesses eligible for the Economic Injury Disaster Loan Program, and enabling equitable direct payments

to producers participants without eligibility restrictions.

In the first week of May, kill was down 22% from the previous week; 35% from the previous year. The industry backed up more than 1 million hogs in that week alone.

Tyson Foods released statement saying retail demand has increased 30-40% with more consumers eating from home, but overall sales are expected to drop later in the year due to restaurant and food service closures.

"There are millions of people involved in producing America's

food supply. Fewer farms mean fewer farm workers, truck drivers, processors, and manufacturers and potentially higher food prices – not today, maybe not even this year, but farmers won't be the only one affected by the long-term agricultural impacts of the coronavirus pandemic. We're all in this together. No one is more mindful of that than farmers and ranchers who keep planting, harvesting, and finding new and creative ways to ensure their products reach America's dinner tables" - Zippy Duvall, American Farm Bureau Federation, President.



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Poultry

Interesting Facts About Chicken Vision

- A chicken's eyes are about 10% the entire mass of its head.
- Chickens can see 300 degrees around because their eyes are in the sides of their heads.
- Chickens are tetrachromatic. They have 4 types of cones that let them see red, blue, and green light, as well as ultraviolet light. Therefore, they see many more colors and shades than we do.
- Chickens have an additional double-cone structure that helps them to track movement.
- Because their eyes are so sensitive, they can see tiny light fluctuations that are imperceptible to humans. Fluorescent lighting to chickens is like strobe lighting to us, so they often become irritable under these lights.
- Chickens can sense the presence or absence of light through the pineal gland in their head, so even an entirely blind bird can still sense daylight or seasonal change.
- Chickens have a third eyelid called the nictitating membrane that slides horizontally over the eye to protect it from dust and debris.
- Chickens can use each eye independently on different tasks simultaneously.
- Chickens have mono-vision. The left eye is far sighted, and right is near sighted. This is the result of turning themselves in the egg so that the right eye is exposed to light through the shell, while the left is not, because it's directed toward the body.
- Chickens have terrible night vision because they evolved from dinosaurs instead of around dinosaurs, and essentially never spent millennia hiding in the dark.



Human vision (left) vs. Bird vision (right)

And Some Interesting Duck Facts, Too!

- Duck's feet have no nerves or blood vessels, so they don't feel cold.
- Preening – the process by which ducks clean themselves – renders them almost entirely waterproof. During preening, they spread a waxy coating secreted by the uropygial gland near their tails.
- More daylight yields more eggs. Farmers often aim for about 17 hours of light per day in their farms.
- Ducks can sleep with one eye open.
- A quack does, in fact, echo.



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1 - BESS #19475 @ 0.10" WC 2 - BESS #19461 @ 0.05" WC



Grower Spotlight

Hamza Talmoust

A third-generation farmer from Morocco, Hamza Talmoust began growing poultry at just 12 years old. His grandfather had started the family business with just 5,000 birds. Today, the farm raises over 300,000 broilers per flock.

His six-house farm is located in Kenitra, Morocco. Blessed with a temperate climate, the barns are naturally ventilated, and comfortable year-round. Until recently, the farm had used manual feeders and bell drinkers. The systems worked okay, but there was a tremendous labor cost and a lot of wasted feed. In 2017, Hamza upgraded his equipment to an automated pan feeding system and nipple drinker watering system by VAL-CO. “The feed wastage has decreased dramatically. Our birds are healthier than ever!”



Raising chickens in Morocco comes with its own set of challenges. Unlike in the United States where birds are most often raised contractually, meat chickens in Morocco are sold live to small market distributors. Over the past few years, the Moroccan broiler market has been largely unstable due to a surplus of meat. Because Hamza raises birds all year round,

he often faces low pricing. Despite the economic challenges, Hamza’s passion and love of chicken farming makes it more than just a job – it’s a lifestyle.



Poultry Watering

Upgrading to VAL-CO Has Never Been Easier!

Did you ever experience “buyer’s remorse” after a significant purchase? Well, you’re not alone and we’re here to help turn those feelings around! VAL-CO offers a complete line of adapters and drinkers that allow you to upgrade your non-VAL-CO watering system by giving it the same precision and quality that VAL-CO systems offer!

The best part of our competition adapters is that most of them can be added to your existing non-

VAL-CO system without the need to replace the pipe, the suspension or the winching hardware. This applies to the following best sellers of ours:

- Cumberland Twin Lock Adapter
- Plasson Saddle Kits
- Chore-Time Adapter Kit
- Ziggity Standard ACE Adapter

So, what are you waiting for?! Get rid of that buyer’s remorse and upgrade to VAL-CO today!!



Cumberland Twin Lock Adapter



Plasson Saddle Kit



Chore-Time Adapter Kit



Ziggity Standard ACE Adapter

Upgrade to
Precision Built
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Resources

Learning From The Comfort and Safety Of Your Own Home... Or Farm!

With the world on lockdown in recent months, VAL-CO has worked to find new and exciting ways to share our expertise with our customers.

We've begun hosting a series of webinars that discuss equipment features, installation and maintenance. The series features VAL-CO's nesting options, flat chain and pan feeders, and our world-renowned watering systems.

Each hour-long presentation has something for everyone;

from features and benefits to help growers make informed buying decisions, to installation and troubleshooting tips to help dealerships get equipment up and running perfectly, to maintenance guides and audit sheets to extend the life of equipment in the barns.

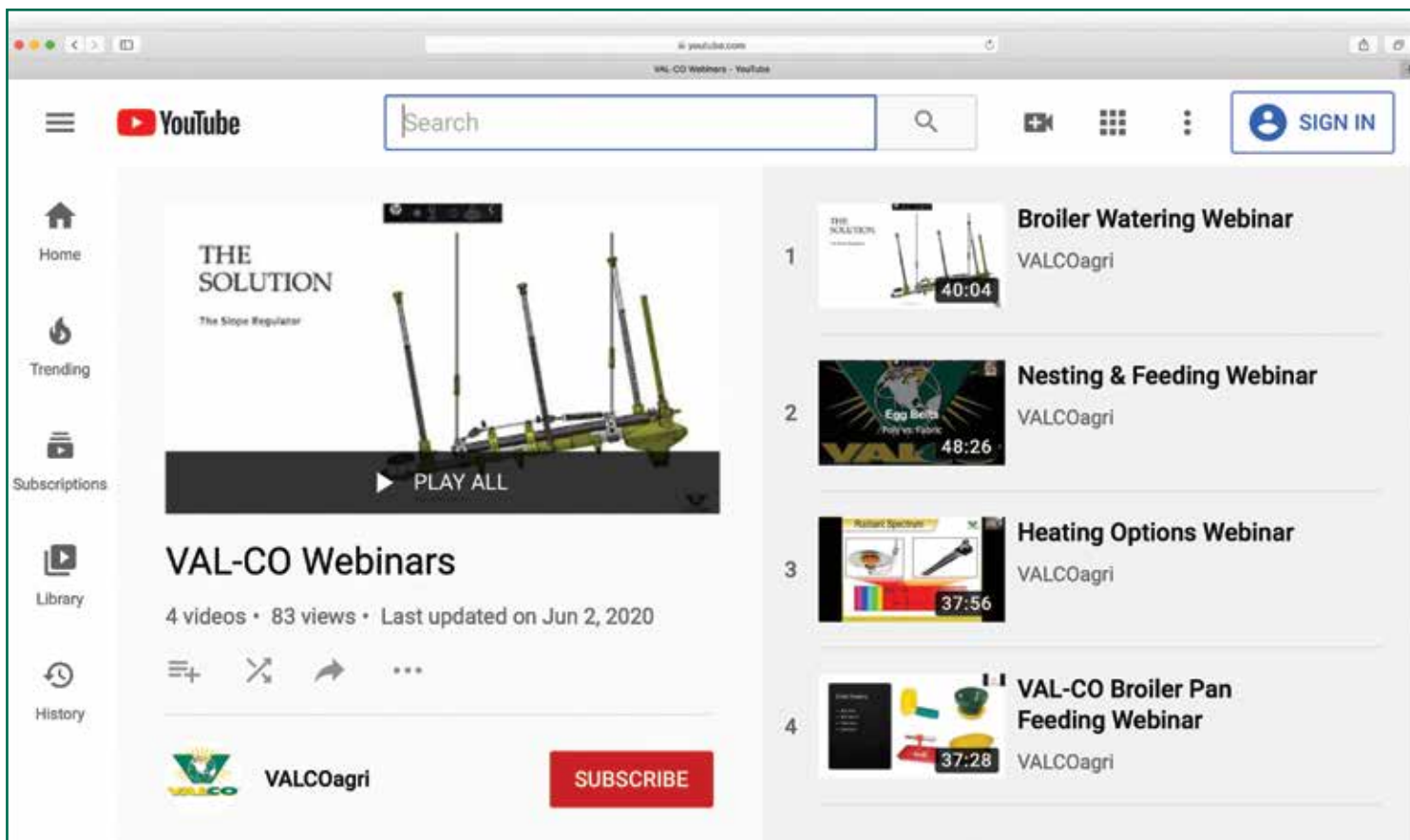
All of our webinars are available on our YouTube Channel so you can watch for free at your convenience.



Scan the QR Code below or visit val-co.it/webinars to view the archived webinars on YouTube.



Also, scan the QR Code below or visit val-co.it/WP to view our library of White Papers.





EQUIPMENT CARE PAN FEEDERS

Preventative maintenance will keep pan feeders working properly all year round.

Some things to keep in mind when caring for feeders:

- Disconnect electricity before servicing equipment.
- Use caution when working with or near the feed line. The auger is in tension. Always keep clear of any shear points.

To clean the feed lines:

- ☐ Run out all the feed from inside auger tubes.
- ☐ Raise lines to a workable height.
- ☐ Unlatch pan bottoms from the grill so they hang open.
- ☐ Pressure wash and disinfect. Allow to dry in the open position. Close when completely dried.
- ☐ Lower feed line.
- ☐ Check feed line winch operation. Watch for binding, unusual noises, or wires caught under the line.

We recommend following a maintenance schedule to improve feed line performance and longevity.

Daily:

- ☐ Check feed line height in relation to birds. Adjust as necessary as birds grow.
- ☐ Ensure fill system drop tube stays in the hopper when line height is adjusted.

- ☐ Verify hoppers remain full of feed and system is charging properly.
- ☐ Verify pans are full of feed.
- ☐ Check adequate presence of feed in control pan. Make sure chickens are attracted to the pan by method of control pan lights or fences.

Weekly:

- ☐ Verify feed line is level, adjust as necessary. Do not allow drive motors to hang lower than the rest of the line.

Monthly:

- ☐ Clean mechanical pan by gently shaking and tapping the grill.
- ☐ Clean proximity pan sensor with Static Guard.

Semi-annually:

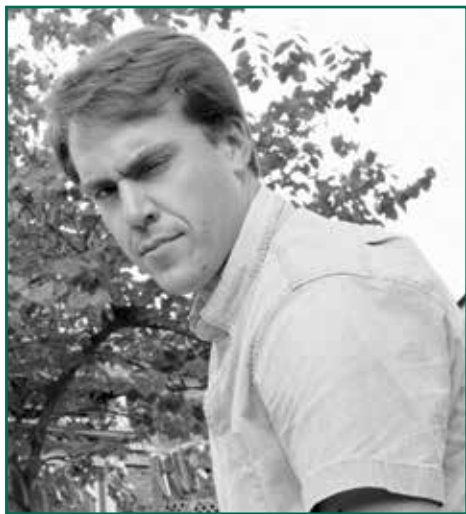
- ☐ Check gearbox oil. Verify oil is at or within 1/4" of the side plug. Add 80W-90 gear oil.
- ☐ Check shocker wire placement and tightness. Ensure wires are not touching tubes, brackets, or anything other than shocker wire circuit. Verify springs are in place and keeping the cable tight.

Yearly:

- ☐ Change oil in gearbox with 80W-90 gear oil. Reinstall vent plug at the top of the gear box.

In The Spotlight

Employees



Name:
Kortlynd Risser

Position:
Regional Sales Manager - Egg

Where were you born? Bryn Mawr, PA

Hobbies: Slowly working through the chore list my wife assigns me.

Favorite family tradition: Family meals on Sundays

First Job: Slinging soft serve ice cream in the summers during high school

Biggest pet peeve: Drivers who do not understand how left lane passing works

Describe yourself in 5 words:
Funny, Dedicated, Understanding, Resourceful, Competitive

If you were an animal, what would you be?

A Boston Terrier so that all my snorting and farting is suddenly acceptable.

If you could share a meal with anyone, living or dead, who would it be and why?

My friend Brad in Rochester, NY. I haven't caught up with him in while and just found out he is expecting his first child too. Some great conversations need to be had.

What changes have you seen in your years in the industry?

The painful cage free conversion of the egg industry and the race to find a silver bullet.

What technology do you see coming in the industry?

Dust control countermeasures for cage free.

What excites you about your work and makes it easy for you to come to everyday?

Easy.... the people I work with at VAL-CO and in the egg industry. Days are always easier when you can share a laugh with those you work with.



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Products

V-Fan™ - 36" Models

VAL-CO® had already stepped up to help achieve the ideal environment with the introduction of the versatile, highly efficient, variable speed **V-Fan**. Now, 36" models are available in Galvanized or Z-Material.

Older-style Triac-controlled variable speed fans would become less efficient at lower speeds, thereby making the CFM/Watt worse. The V-Fan motor is not only VFD-driven, but it's also a PMAC motor, yielding greater efficiency than induction motors. The V-Fan delivers up to 35,000 CFM at top speeds and provides up to 62.7 CFM/Watt at low speeds, which is where this fan really shines!



The V-Fan is direct drive, meaning there are no belts to maintain or bearings to grease. The VFD is located directly on the fan and pre-tuned at the factory, so no adjustments are needed. It is IP66 rated to withstand the harsh environments of agricultural production houses. The VAL-CO V-Fan will change the way you look at ventilation!

Swinger Nipple Drinkers

VAL-CO has released a new **Swinger Nipple Drinker** for the swine market. This is a great, cost-effective option for providing the water your finisher pigs need.

The VAL-CO Swinger Nipple Drinkers have an offset pipe, keeping strain off the water supply hose, and are easy to adjust for proper height.

Unlike other swinger nipple drinkers that are available, ours is made of all

stainless steel construction providing more durability as well as providing the longevity you need.



Anti-Tilt Bracket on conduit

Anti-Tilt Bracket

Just when you thought the best couldn't get any better! VAL-CO introduces the new **Anti-Tilt Brackets** which now come standard with all regulator kits. These brackets are available for conduit and aluminum extrusion, as well as one for the end assembly. VAL-CO Watering Systems – simply the best!

On aluminum extrusion & end assembly



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