



Feed Management Systems Customer Case Study



World-class pork producer manages costs and formulas with Brill Formulation Multi-Blend™

Overview

Customer Profile

The HANOR Family of Companies is one of the nation's premier pork producers. With operations in six states employing over 500 employees, and headquarters in Spring Green, Wisconsin, their roots in commercial pork production dates back to 1978. HANOR has grown to be a world-class leader in pork production by creating and sustaining superior performance. As a major player in the U.S. pork chain, today they are adding value through seedstock manufacturing, slaughter hog production, and further processing pork. Their experienced management team has forged key alliances in the areas of animal health, nutrition, production technology, feed, transport, management information and marketing. Invention, early experimentation and adaption of technology keeps HANOR at the forefront. They pride themselves on their commitment to being the leader in nutrient management and environmental stewardship, and credit their success to their dedicated staff as well as collaboration with industry consultants.

“The software actually challenges my nutrient settings and ingredient limits. It tells me how much money could be saved by making a slight change in either nutrient level or ingredient constraint.”

Dr. R. Dean Boyd
Technical Development & Nutritionist
The HANOR Company

The HANOR Family of Companies is one of the nation's largest pork producers, and has been in commercial pork production since 1978. HANOR has pork operations in six states, employing over 500 people, with its headquarters located in Spring Green, Wisconsin. An integrated company, they work with 16 feed mills to supply five production families around the country and their meat production facility in Missouri. They have 65,000 sows and market 1.35 million pigs annually, which require almost 500,000 feed tons each year.

Situation

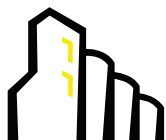
HANOR has been using Brill Formulation™ successfully since 1998. They were working with four feed mills in 2002, but progressively expanded to its current level of 16 mills. “HANOR owns three of these mills,” explains Dr. R. Dean Boyd, Technical Development & Nutritionist at The HANOR Company. “The rest of the mills are toll mills, which are independent operations that we contract with for feed production.”

This expansion created numerous challenges for HANOR. They wanted more control and confidence across all the feed mills they were using, and they needed to ensure they were making profitable decisions in the fluctuating feed market.

Solution

Due to HANOR's expansion to multiple feed mills, they added the Brill Formulation Multi-Blend™ application in 2002. In 2006 they implemented Feed Mill Manager™, in conjunction with the Land O'Lakes Integrated Service Bureau, which streamlined the operations between HANOR and each of the independent mills it works with.

In addition to Brill Formulation and Feed Mill Manager, HANOR runs a Dynamics GP accounting installation to manage the interface to their corporate system.



**Feed Management
Systems**

Overview

Situation

HANOR was working with four feed mills in 2002, but progressively expanded to its current level of 16 mills. Three mills are owned by HANOR and the remaining are toll mills, which are independent operations they contract with for feed production. This expansion created numerous challenges for their growing business. They wanted more control and confidence across all the feed mills they were using, and they needed to ensure they were making profitable decisions in the fluctuating feed market.

Solution

HANOR implemented Brill Formulation™ and expanded their solution to include Brill Formulation Multi-Blend™. For seamless data integration across their business, they use Feed Mill Manager™ and Dynamics GP. Their relationship for ordering and billing with the additional toll mills is further integrated by the Land O Lakes Integrated Service Bureau (ISB) and Feed Management Systems solutions.

Benefits

- Saves money with ability to evaluate ingredient prices and nutrient constraints across all formulas and across multiple feed mills
- Identify how to create the most profitable diets
- Analyze opportunity ingredient savings
- Cost savings per ton provides immediate return on investment
- Integration across the business increases efficiency and reduces chances of errors
- Seamless connection to toll mill suppliers provides predictable supply chain process
- Easy of use gives any size operation ability to quickly leverage

Benefits

Saves Money

Feed prices are volatile, and impact nearly every aspect of a pork production facility. “That’s why Multi-Blend is so important to us,” explains Dr. Boyd. “Changes in ingredient price can be evaluated across all mills with relative ease. Changes in ingredient or nutrient constraints are also handled efficiently.”

HANOR is able to leverage the power of the software on both sides of the pricing equation—when an ingredient is difficult to obtain or expensive to purchase, and when it’s an opportunity ingredient, available at a good price.

When an ingredient is expensive or hard to get, Multi-Blend helps HANOR maximize that ingredient fully. “For example,” says Dr. Boyd, “the system will quickly identify the most profitable diets to put those ingredients into.”

When HANOR comes across an opportunity ingredient, even if it’s not part of their standard list, the system enables them to quickly determine how much money the opportunity ingredient can save them, and in which specific diets that ingredient will be most sustainable—i.e. what is the highest price that ingredient would be able to reach before it would be too expensive to keep in the diet. “The system tells us exactly how much of an opportunity ingredient to purchase,” says Dr. Boyd. “That’s an important benefit for our purchasing department.”

Finally, the system saves HANOR money by constantly evaluating and balancing ingredients and costs. “The software actually challenges my nutrient settings and ingredient limits,” explains Dr. Boyd. “It tells me how much money could be saved by making a slight change in either nutrient level or ingredient constraint.”

What does this all mean in actual dollars? “The software value far exceeds the cost,” says Dr. Boyd, “but even a ten cent savings per ton—and we’re saving far more than that—quickly pays for a lot of software!”

Saves Time

One time-savings is also a cost savings. “The software is so powerful and fast, that it enables me, as the sole nutritionist, to handle 16 mills well and efficiently,” states Dr. Boyd.

This power and speed also allows what-if scenarios that would have been impossible without the software. “I can determine the value of an opportunity ingredient by hitting a button; the software will automatically formulate 30 diets in a mill in 20 seconds.” says Dr. Boyd. “I’m more likely to do what-if scenarios because I can.”

Embrace Toll Mills

The toll mills HANOR works with are members of the Land O’Lakes Integrated Service Bureau (ISB). This means through connection with the ISB, each mill uses Feed Mill Manager and their system is linked with HANOR’s. This connection to ISB provides multiple benefits to both the mills and to HANOR.

First, HANOR is assured of repeatable, consistent, accurate product. HANOR downloads a non medicated formulation to ISB, where using Brill Formulation and the Feed Mill Manager system, medication options are created, checked against the Brill Formulation electronic feed additive compendium and then sent to each mill with no room for error. “I’m absolutely sure that the diets I’ve formulated are incorporated exactly as I intend,” says Dr. Boyd. In addition, Dr. Boyd can go online to the ISB website at any time and verify the ingredient list and manufacturing details for any order.

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Benefits (continued)

The payment system is tied into the ISB process as well. When each order is made, information is sent back to ISB for verification against the original order. The payment is not made to the mill unless the order is within a set tolerance in comparison to the original order. This provides a level of quality control and reconciliation for HANOR, by providing a clear, direct incentive for the mills to maintain low tolerances. “This automated pass/fail functionality is also a cost savings for us,” says Dr. Boyd. “We could not do this financial evaluation without hiring two additional people.”

The mills share in the benefits as well. Receiving electronic formulations saves them time, they can download the formulas into their system instead of hand entering and they immediately know exactly what to put into which diets, in which quantities. More importantly to HANOR, using the ISB helps to ensure that they can continue to do business with these toll mills. “The question of whether to work with existing mills or to build our own no longer involves issues of integrity and repeatability of diets. The data integration that is possible from Brill Formulation™ and Feed Mill Manager™ has removed these questions.” explains Dr. Boyd.

Easy to Use

Finally, the products are easy to use, with a clear format. “I’ve used the products in teaching situations for this reason—whether the user is running a small farm, a feed company, or a large multi-state multi-site operation like HANOR, the format is user-friendly,” explains Dr. Boyd.

This ease of use is also a benefit to the toll mills HANOR relies on. These smaller operations do not have the staff or training resources of a larger company, and the product must be easy to use and understand.

Next Steps

HANOR continues to expand its use of Brill Formulation™ to meet new challenges. Their next step is to look at how they can use the plant management and plant allocation functionality more extensively. “I have been remiss in not taking the next step,” explains Dr. Boyd. “For example, if I have a limited ingredient, I can not only allocate that ingredient across diets, but I can also allocate across the different mills—it takes allocation to the next level and would be a time-saver.”

For More Information

For more information about **Feed Management Systems** products and services, call 763-560-8139, email info@feedsys.com, or go to www.feedsys.com.

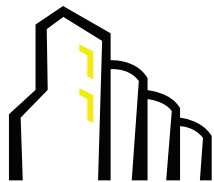
For more information about The HANOR Family of Companies, visit their website at www.theHANORcompany.com.

For more information about Land O’Lakes Purina Feed LLC, visit www.lolfeed.com, and for information on the Integrated Service Bureau, visit www.integratedservicebureau.com.

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