

Premium Standard Farms
Princeton, Missouri
Community Advisory Panel
Meeting Minutes: 11/30/06

Members Present: Ed Rhoades, Roger O'Reilly, Jack Tucker

Also Present: from PSF – Dr. Lisa Becton, Bill Homann, Jason Helton

The meeting began at approximately 7:05 p.m. Jack Tucker was elected chairman.

Approval of Minutes

After review, Ed Rhoades moved to approve the minutes of the previous meeting, seconded by Roger O'Reilly and approved.

Herd Health Update

Dr. Lisa Becton, health assurance director, updated the group on the health challenges currently in the system. The biosecurity procedures in place and segregated flows have helped to keep a large portion of the sow herd PRRS negative. When asked if a vaccine was available, she stated that the nature of the virus made it difficult to produce a vaccine for each strain but that the industry is engaged in a variety of research associated with PRRS. The circo virus has impacted our herds as well as many others in the industry. This creates a higher death loss in finishing units making it an expensive issue that is also receiving widespread industry attention. Vaccine is available in very limited supply across the country so many operations are managing as best as they can. Both are challenges to the industry and are not unique to our company.

Toll free Number Report

One call to the toll free number since the last meeting was from a caller claiming a company truck kicked a rock up into the caller's windshield. The transportation manager was to return the call and explain the company position in these instances. One call was from an individual in the Browning area wanting to sell land to the company. A number of calls dealt with questions on the community meat sales in early December since the contact number was included in the newspaper advertisements.

Incident Reports

Three incident reports were presented for review with dates of August and September, 2006. One dealt with a riser being struck by a tenant mowing hay. Questions by the group involved procedures and emergency contact in those instances as well as whether it might be feasible to post such contact info on rented areas. Bill also stated that one of the reports dealing with a barn plug was continuing to be examined by the committee.

Operations Update

Bill commented we were entering the time of year that is typically challenging from a production standpoint based on increased disease and summer breeds. He also stated that feed prices were putting pressure on our budget and that the company was looking at

ways to adjust future feed rations based on cost-effectiveness and meat quality. In response to a question of the feasibility of using DDG's in the feed rations, Bill responded that the industry and many groups were working on trying to find the best answer. He answered another question that we were indeed concerned about the notion of feral hogs and do our best stay aware of such near our facilities.

Components of the Crystal Peak fertilizer plant still remain challenging. Sludge is being processed into a high phosphorus product with good success. Attention continues to the fresh water needs at some farms and some pumping is taking place. The Milan expansion seems to be on pace given the good construction weather. The merger with Smithfield Foods continues to progress. Original projections for a first quarter or early second quarter closing appear to remain on schedule.

Questions/Other Issues

Jason shared a number of recent press releases on donations to different area civic and charitable groups. He also informed the group of upcoming case meat sales in seven area communities in early December.

The group indicated they preferred the next meeting to be held in January, 2007.

Meeting adjourned at approximately 9:00 p.m.

Respectfully submitted,
Jason Helton