



# DAVISCO

DAVISCO FOODS INTERNATIONAL, INC. ■ QUARTERLY NEWSLETTER

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## On Personal Time

Davisco produces top-quality products because committed people come faithfully to work, give their best, and do what it takes to get their jobs done — no matter what circumstances may be on a particular day.

These employees take pride in their work. They know how to collaborate, and they'll do whatever they can to help their neighbors and co-workers succeed along with them.

Take a minute. Meet a few of the people who keep Davisco humming. They're people you'll want to know.

### JIM MILLER

Whether he's talking about work or fun, there's a twinkle in Jim Miller's eye that says *fun*. He's happy these days with a change in his schedule. After 15½ years with the company he's gone part-time.

Miller began working with Davisco at the old Saint Peter Creamery in 1985. He remembers his start date clearly — Halloween night.

In 1993, he stayed on in Saint Peter after production was moved to Le Sueur. After closing down operations in Saint Peter, he moved on to become warehouse supervisor in the new plant. Then, in 1999, when

Lake Norden, Le Sueur, New Ulm and Nicollet warehouse facilities were consolidated in Belle Plaine, Minnesota, he moved on to organize and operate that new facility.

When not at work, Miller dives into the things that interest him.

Operating from a basic, can-do philosophy, he's built three houses, remodeled another, built boats and maintained an array of vehicles.

"I've always been interested in doing things with my hands," he explains. "I built my first boat at eleven, a skip-racer. I watch people.

*Personal Time*  
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Jim Miller

I'm interested. I learn by looking. I've always figured that if another person is smart enough to do something, I am too. I guess you could call that confidence."

While Jim says he built the first three houses to get a bigger, better house for less, he's tackled a building project recently to reduce his commute to work. For the past six and a half years, he's focused on remodeling an old farmhouse west of Le Sueur.

"In the first thirty days I owned this place I moved everything, built a new garage, and put a concrete floor in a big old machine shed." Since then he's renovated the interior of the house, built a patio, planted forty-five trees, shingled, replaced screens, and landscaped. The house was run-down, Miller says, and needed plasterwork, woodwork repair, painting and a lot of other things. Fit in the usual mowing, trimming and snow-blowing and there's little time to spare. In Jim's words, "I don't sit much."

In addition to home repairs, Jim enjoys keeping the cars, tractors, cycles and boats in his seven-car garage in working order. He shares an interest in motorcycles with his daughters Jamie, Heidi and Scottie, and is currently refinishing the deck of a boat.

And when he's not fixing or building things for himself, Miller takes time to help friends

with repairs, installations, moving and small building projects. He likes being connected, and makes frequent trips to the Minneapolis area to help his daughters with projects or cycle repairs.

"I've done a lot of things in my life," Miller muses. "I ran a plating shop, sold real estate, remodeled housing and worked in law enforcement. I've always been busy. I like to work."

But these days Miller is taking a little more time for himself,

"I play a little golf with my brother in Mankato. I've enjoyed renewing ties with an old high school friend in past months. Working three days a week gives me time, and I'm thankful.

"I also want to say that I appreciate my job and working with the Davises," continues Miller. "When I had cancer surgery three years ago they were always checking on me. And after two months, I still had a job. That's the kind of people they are. They're good to work for."

#### KRISTIN SKELLEY

A few years ago Kristin Skelley and her husband, John, moved home to what she describes as a "lovely, peaceful life." For the Skelleys, that life includes a rural home with space for outdoor play, a garden, woodland walks and winter sledding. It also includes family. Both Kristin and John grew up in the Le Sueur/Henderson area. After a couple of years in the metro area, the two appreciate the opportunity to raise their two children, Jessica, 8, and Matthew, 2, in a circle of parents, grandparents, brothers, sisters and cousins.

"We love both the privacy and the community here," says

Kristin. "When we came back, I had some doubts about living in the country, but I love it now. It's peaceful and it's fun to have the space, especially for the kids."

As Accounts Receivable Manager for Davisco, Kristin works with a staff of two to manage payments, invoicing, reporting and related correspondence and problem-solving. She's been with the company since 1993. She enjoys both the accounting and management aspects of her work, as well as the opportunity to work with people who are friendly and interested in the people around them.

In her free time, Kristin enjoys sewing, baking, gardening, stamping and making cards. But when asked what she's been up to during the past few months, none of those things rise to the top. Parenting does.

With a two-year-old in the house, we're constantly on the move. Matthew's active! We turned our backs the other day and the cookie dough for Jessica's Easy Bake Oven was eaten. Gone. Down the hatch." It's just a fleeting moment in a single day, but in Kristin's mind, part of the funny, seemingly endless stream of events that's part of living with children.

She continues, "Our daughter Jessica is in third grade, so our evenings are a routine of dinner, homework, reading, family time — helping her develop good habits. But on weekends and in the summer we fit in bike rides, walks, trips to the zoo, ice skating, visiting, and a little fishing. It's great."

So when not at work, Kristin will be tending the fires of home as the cold months of winter pass. But keep your ears open. If you pass the sledding hill, or glimpse her and the children filling the cart in the grocery store, you'll surely hear laughter. It's part of the routine of their days.

#### CECIL ERNSTING

For Cecil Ernsting, the Belle Plaine/Le Sueur, Minnesota area has been home for a long time. He's built a life focused on family, friends, and work that's kept him in touch with his neighbors every day.

Ernsting hauled milk, collected in cans, until 1972. In the process he became familiar with the routines of the farmers, and developed friendships that sometimes extended beyond the routine of the usual workday. When a dairyman was away, he handled chores for a couple of days or checked to make sure things were alright.

"Years ago," he says, "people were together all the time. We still rent a building or borrow a tool from a neighbor, but it's different. I think TV made the difference. People just don't go as much. We used to have big card parties on Saturday nights, eight to ten couples together. It's different now."

Cecil and his wife, Ruby, have lived about three and a half miles west of Le Sueur since 1965. They've always lived in the country, and farm work has always been part of their lives.

Kristin Skelley and her children Matthew and Jessica



It used to be we put up fifty, sixty, seventy quarts of tomatoes every year," says Cecil. "We don't have much of a garden now. Flowers. A few tomatoes. Our son has a house on the farm and we work together. It used to be he helped me — now it's opposite. I help him in the evenings or on weekends. He gets the ground ready, and I plant or help with baling or combining. I used to overhaul engines and tractors, but they aren't so easy to work on now."

Travel has been fun for Cecil and Ruby, who enjoyed a trip to Idaho to see the Jerome Cheese Company plant and the Snake River Canyon a few years ago. And he laughs about the good time the two of them had getting in the car and driving west another year. "We didn't have a plan. We started driving and ended up in Colorado and Wyoming. It was great."

The Ernstings have five sons and one daughter. Three of their children live in the Le Sueur area, and the family likes to get together on Sunday afternoons. "The kids have a go-cart track in the grove," smiles Cecil. "They like that. And in winter they take their snowmobiles out in the field and have a good time."

Though officially retired from the Le Sueur Cheese Company, Ernsting has decided to keep on working. He likes being busy and enjoys the people. "You know, the Davises are nice people to work for," he says, and then laughs, "I've worked *for* and *with* them. You know every one of the boys worked with me in the barrel room when they started years ago."

**MARVIN BARTLETT**

Asked about free time, Marvin Bartlett warms to the subject with talk of his family's cabin. It's not far from home, but far enough and different enough to balance his work-day responsibilities.

As Davisco's Director of Engineering, Bartlett is responsible for the smooth operation of automated production systems in the company's Minnesota, South Dakota and Idaho plants. He was heavily involved in the development of those systems, and in the design and start-up of Davisco's Jerome Cheese Company plant. Since he began with Davisco in 1983, Marvin has carried his share of respon-

sibility, and has learned in the process the value of a change of pace.

So when summer rolls around, the short drive from North Mankato to Lake Washington is the Bartlett family's path to relaxation. Escape to the cabin means swimming, fishing, boating, and the freedom of being outdoors in the sun. Jasmine and Jackson Bartlett (ages 11 and 10) love summer time at the lake. And while Marvin and his wife, Shelly, have spent time fixing up the cabin, building a sand volleyball court and taking care of regular cabin chores, they say the work is part of the fun. The chance to go for an afternoon or a weekend and come home refreshed is something they truly appreciate.

Away from the cabin, school and sports schedules influence free-time scheduling in the Bartlett household. Jasmine and Jackson enjoy basketball, baseball and football, so practices and games are part of the routine. The family also enjoys biking together on the Sakatah Trail, roller blading and cheering for the Minnesota Vikings.

And with a smile, Marvin says that he and Jackson have taken up snowboarding this year. After skiing for years, snowboarding is a great alternative,

something the two can learn together. They hope to go often. So if you're on the slopes at Mount Kato this winter, check out the father/son snowboarding teams. The two with the biggest grins are sure to be the Bartletts.

Marvin Bartlett



Cecil Ernsting





# Producer Update

## Building a Successful Dairy Partnership

**B**ack in 1989, when he had a herd numbering about four hundred, Frank Vienstra realized he needed to find a business partner to share the work of his operation. So he called Jeff Lund, loan officer responsible for the Idaho portfolio at Bank of America, and manager of the Vienstra business account. Frank asked Jeff if he knew anyone who might be interested in a dairy partnership, and without much hesitation Jeff replied, "Yes, me." Jeff's wife had grown up on a dairy farm, and he was interested in exploring the lifestyle.

Located twenty-five miles west of Twin Falls, near Wendell, Idaho, the Vienstra and Lund Dairy was in operation by 1992. It was the first dairy to ship milk to the Jerome Cheese Company when it opened in November 1992. Now, almost twelve years later, the partnership has proven itself a success, and the farm has expanded to twenty-two employees and 23,000 cows.

With more than a decade of collaboration behind them, Jeff and Frank have solid advice for dairy farmers who are considering a partnership.

*At the top of the list, according to Jeff, is finding someone with a similar vision for the business.* When both partners want to achieve the same goals, resources can be channeled toward the attainment of those goals. There's more likelihood of success if both partners are, for example, looking to increase the farm's capacity.

*Along the same lines, partners must also be good communicators.* A successful alliance is built through a regular exchange of information, which keeps each

partner aware of what's being done on the farm. Goals should be revisited periodically and updated as necessary.

When an unforeseen opportunity presents itself, the benefits of strong communication become apparent. When new technology becomes available, for example, it's more likely to be installed and put to use if partners are in the habit of thinking and talking together. As Jeff describes it, good things happen in an atmosphere where "both sit down and try to come to a meeting of minds."

*Jeff also emphasizes that dairy partners must be patient, and that they must realize dairying is a long-term investment with no instant returns.* Without such realism, particularly when one partner has little experience in the industry, burnout is likely.

Managing a dairy farm is a twenty-four-hour-a-day job, and if owners don't have their hearts in it, the farm can suffer. *Both partners must be willing to do all they can to achieve the goals of the business in order for the farm to be successful.* According to Jeff, it comes down to dedication.

Increasingly, automated, capital-based dairies have made traditional one-farm, one-family dairies almost the exception to the rule during the past decade. As the industry continues to respond to economic realities, there are no simple answers and each producer must decide what is best for his/her farm.

In the dairy industry, says Jeff, the success rate of partnerships is often not very high. But as he and Frank demonstrate, they sometimes thrive. ■



Working Smart



Frank Vienstra



Jeff Lund



# Dairy Personnel Management

Have a business plan, clear job descriptions, & an awareness that dairy managers manage people, not cows

## Bank on Success

On his two-hundred cow dairy farm near Dennison, Minnesota, Jon Huseth appreciates those people who have guided him towards success as a dairy manager. One of these is his father, who managed a fifty-cow dairy farm on the same land. Another is his college track and field coach, who taught him much about success in general. "Coach Thorkelson taught me that you should go after what you want," Huseth says, "and set and monitor goals to achieve it."

It seems that Jon has taken this advice to heart. Work with Cargill from 1992-96 gave him frequent opportunities to meet successful dairy farmers. He "formulated a vision within his own life" at this time, which led to his decision to become a fourth generation dairy farmer. Now with more than four years experience as a dairy manager, Jon is preparing to open a second, larger dairy, which is planned to begin operation late in 2001.

While there are always challenges, Jon says that a flexible long-range business plan is a powerful management tool. The more clearly a direction can be charted for the farm, the easier it is to manage daily to achieve those goals.

When general objectives have been identified, scheduling for things such as cow injections or labor management becomes easier. In Huseth's experience, this goal-oriented method helps him control the dairy's operation by leaving "as little room for error as possible."

Based on the challenges he's encountered running his dairy, Jon offers the following advice:

**1** When hiring new employees, try to choose a person whose personality fits the position. For example, if you have a larger size

dairy farm with many employees, look for an employee who could work well as a part of a team.

**2** Your dairy farm is unique, so when you are choosing a new employee, try to find someone who can learn new skills and adapt prior skills to suit your farm.

**3** Always keep in mind that dairy managers don't manage cows, they manage people. "People are my assets, not cows," says Jon.

**4** As a general manager of a dairy farm, one of your primary tasks is managing your own and your employees' time. To facilitate this, create specific job descriptions for each of your employees, and method protocols for each of their tasks. By doing this, employees know what they should be doing and when.

**5** Try to be aware of your strengths and weaknesses as a dairy manager. At the beginning of each day, choose one of your weaknesses to focus on and improve throughout the day.

**6** Take time to find resources which could help you manage your dairy farm well. Consider seminars, magazines such as *Minnesota Farmer*, or other dairy managers who could offer suggestions. ■

## Do you manage for optimum profits?

Look around for low feed prices. Ask questions. Evaluate costs per cow, per day/feed cost/cwt.

Minnesota	Spot Load	Future
Cottonseed	\$173	\$175 (February)
Hay	\$115-140 (Relative feed value 160-170)	
Distillers	\$ 90	
Corn Gluten	\$ 68	
Corn	\$1.95/bushel	\$2 (February)
Soy Meal 44%	\$174	\$179.50 (March)
Soy Meal HP	\$181	\$181 (March)

## Feed for milk component value, not volume.

Work creatively with your nutritionist to match feed price and nutrient content with component value results.

### Le Sueur Cheese Company, January 2001

Butterfat (Value on Surplus Fat)	\$0.1562/point/cwt
Protein	\$0.1781/point/cwt
Somatic Cell Count	\$0.60/cwt per 100,000 below standard of 200,000. \$0.30 cwt per 100,000 below standard of 300,000.

### Jerome Cheese Company, January 2001

Butterfat (Value on Surplus Fat)	\$0.1562/point/cwt
Protein	\$0.1435/point/cwt
Somatic Cell Count	Bonuses ranging from \$.04 to \$.45/cwt are given for counts 0-500,000. \$.04-.45 is deducted for counts 501,000-1,000,000.

Point= 1/10 of 1% (For example: 3.2-3.1=1 point)

Note: Each dairy is individually evaluated. This is a simple overview of point value.

## Working the Numbers

We believe the success of dairying depends on an awareness of the forces at work in the marketplace and our ability to take control together.



## Nelson Inducted into University of Minnesota Athletic Hall of Fame

**D**avisco Applications Manager Laurie Nelson was inducted into the University of Minnesota Athletic Hall of Fame in October, 2000. A 1995 graduate of the University, Nelson was a member of the diving team from 1990 to 1994.

Nelson collected seven all-American honors and one all-American honorable mention award as a University of Minnesota diver. She is considered the premier diver in Minnesota history, with more all-American honors than any other Minnesota women's student-athlete in any sport.

Year 2000 honorees were introduced at halftime of the Homecoming football game

and formally inducted into the Hall of Fame later the same day, at a dinner in the University of Minnesota Pavilion.

Nelson began diving at age six and joined a club team the same year. She continued diving in Toronto, Ontario throughout her childhood and traveled with the Canadian Junior National Team during high school. Nelson says that scholarships, the University of Minnesota's state-of-the-art Aquatic Center, and the team's diving coach, Doug Schaffer, drew her to Minnesota.

"It was great to be recognized for my accomplishments," says Nelson, "especially now, when so many of my friends are still in town. My family flew in from Toronto and I celebrated with my coaches, teammates and friends."

*Focused, Laurie Nelson pauses before executing a dive from the 1-meter springboard.*



**In Focus**  
Mark Davis

**P**eoples' lives are so much more than their considerable efforts and accomplishments at their work. One could say that it is those outside-the-workplace activities that make dedicated employees as productive as they are at Davisco. Outside activities serve to refresh and energize one's whole being, which then allows for the ability to focus on their work responsibilities.

One has to admire and respect the business-like approach that the two producer profiles exhibit. Modern dairymen are everybit the professionals necessary to survive in the rapid-paced evolution of dairy farming.

How about the accomplishments of Davisco's Applications Manager, Laurie Nelson? The same dedication, determination and attention to detail that Laurie exhibits in

her work is what made her SEVEN TIMES an All-American.

It takes the efforts and talents of a great variety of people to make Davisco a viable business. We thank them all.

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