

DECEMBER, 1970

BROILER INDUSTRY

POULTRY BUSINESS MANAGEMENT FROM EGG TO TABLE

HOW A ONE-MAN FIRM RIDES OUT THE STORM

It isn't low prices, or big competitors, that concern Georgia's Harold Harrison, but his own future decisions. Here's how he operates and what he thinks about current retail feature activity.

HAROLD HARRISON
sole owner of Harrison Poultry, Inc.



Those
"Damn Yankee" Lipmans —
They're at it again!

They barged grain to force down Maine rail rates, they bought a fishing fleet to make meal, they have started a new cooking plant and now they have bred their own broiler!

Sales manager Hendrickson (left) and Frank Lipman flank photo of new breeding farm.



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Lipman Bros., breeders: 'Million-dollar' gamble?

Perhaps not, since Maine integrator claims to add two-tenths of pound liveweight by using own broiler, but the real test will come as Lipman starts outside sales to fellow integrators. Here's "why and how."

THE LIPMAN BROTHERS may be taking what some may term a "million-dollar gamble," as fully integrated broilermen, by entering the primary broiler breeding field, but they don't look upon it that way at all. They expect to be selling female broiler breeders by mid-1971.

"We were looking for a better bird than was commercially available and eventually decided that it would be profitable for us to develop our own," explains Frank Lipman, production director of the Lipman Poultry Co., Augusta, Me.

He estimates that about \$500,000 has been invested in personnel and that much more in facilities, over the past five years, to develop a pedigree program. As this is read, the breeding segment of the Lipman firm is being organized into a separate commercial entity, Lipman Poultry Breeders, Inc.

Headquarters for the breeding operation is being moved from Augusta to Winthrop Center, Me. Warren Hendrickson, a former

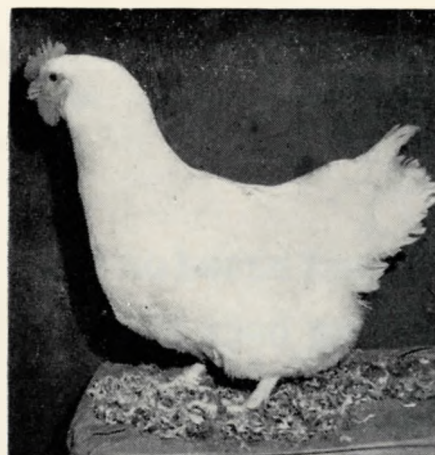
executive for Wirthmore Feeds and Penobscot Poultry Co., who has been with the Lipmans since 1966, heads the new organization. Richard Hatch, a University of Maine poultry husbandry major, who also holds an M.S. in poultry science from the University of New Hampshire, will continue to manage the breeding effort. He has been with the parent company since 1956.

Lipman broilers in 1960 averaged 3.65 pounds at 66 days on a feed conversion of 2.30. Today, says Frank Lipman, Lipman birds are averaging 4.30 pounds at 64 days on a feed conversion of 2.08.

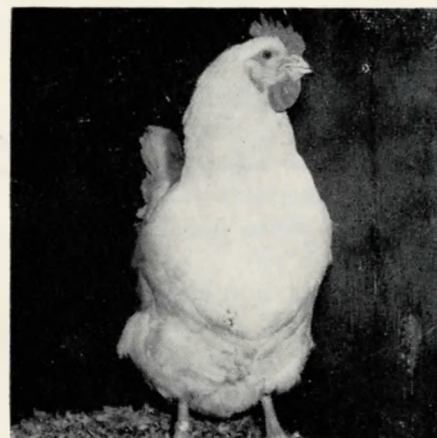
The company at present believes that its new female breeder, on outside male matings, is giving an average of two-tenths of a pound added liveweight on the same feed conversion.

The firm processes about 20 million broilers a year, about one-quarter of which it raises in company-owned facilities, the rest on contract.

If you anticipate precise information from the Lipmans at this



SIDE VIEW of the Lipman Brothers pedigreed broiler breeder pullet. She has done well enough internally that famous Maine integrator will offer offspring for sale nationally.



FRONT VIEW of new Lipman pullet shows conformation that was one of primary traits sought in original breeding work. Internally at least, she appears to give Lipmans .2 lb. added liveweight on same feed.

stage, you get reserved answers. Perhaps this is due to a rather unique "democratic kingdom" at Augusta, where such dedicated and strong-willed individuals as Dr. Leonard Dansky, a nutritionist and director of research, hasn't quite determined all of the factors which apply to his input in the making of the new bird.

Or take the role of Dr. Jerry Rountree, who, as company veterinarian, has put the various strains of the new bird under severe stress to see which lines give superior resistance to disease (at the same time running a parallel program to clean up mycoplasma and to test for resistance to Marek's disease). A consulting geneticist, who is on the poultry staff of a

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Project based on data tracing back to 1952

mid-Atlantic land-grant university, built his "model" according to the company's specifications.

Frank Lipman, with his responsibility for live bird performance, says he knew only one thing: From an analysis of records dating back to 1952, he was able to find recurring deficiencies in various strains and crosses obtained from outside sources. As the months and years went by, the Lipmans and their staff of associates began to feel they could make their own breeding program pay.

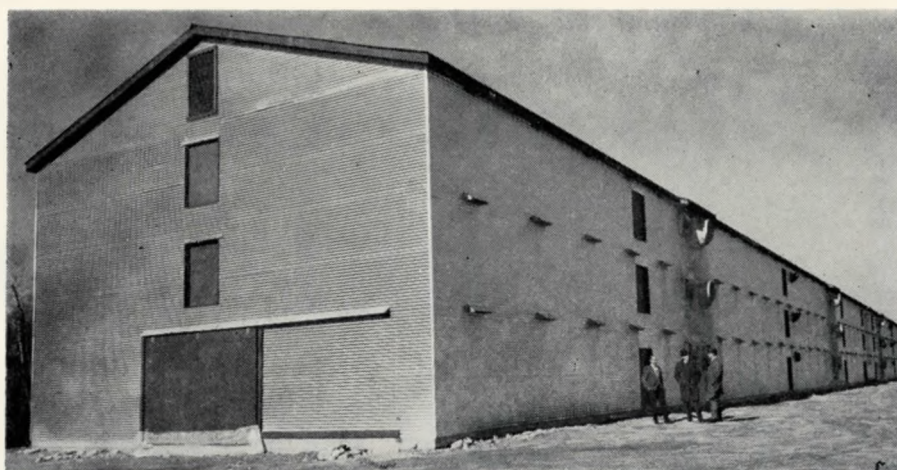
This temptation has occurred at times to most integrators, since they have their own feed mills and processing plants. They can salvage experimental birds. They have a working field laboratory. They already have the requisite skills in their staff, aside from those directly associated with genetics.

The decision to go ahead with a pedigree program in 1965 probably had its genesis in 1955, when Dr. Dansky joined Lipmans and began a critical analysis of the varying performance of different strains of broilers. He needed to know this in order to evaluate and improve his own contribution as a nutritionist.

One needs to understand the background of this unique firm before one appraises the current breeding effort.

The Lipman Brothers are one of the few current "survivors" among the pre-World War II live bird buying firms that integrated back into production. Each move was premeditated. The firm always has been premium market-oriented.

For example, when the White



FULL-SCALE FIELD TRIALS of progress in internal primary breeding program at Lipman Brothers, Augusta, Me., are conducted on own farms. This is new environmentally controlled unit that houses 84,000 broilers to market age. It is 456 feet long.

Rock broiler first became available, the Lipmans were among the first to use it. Their higher quality product resulted in a special New York market quotation. They were among the first to move into a government grading program on a voluntary basis and one of the first to eviscerate.

In developing the new strain, the Lipmans again put the customer's interest ahead of cold economics. "Our challenge was to make it right for the customer," stated Frank, "then to work as hard as possible to make the bird competitive to produce."

Of a dozen original specifications, the first five, significantly, became: (1) eye appeal, (2) good conformation, (3) good fleshing, (4) good color and (5) good flavor.

This, in turn, translated into a program that called for (1) marketing appeal, (2) growth and (3) livability. This decision was made seven years ago, at which time the firm began to assemble a gene pool. A time limit of five years was placed on the program, at which time the entire project was given a very critical review.

Five years ago, the pedigree program began, using 12 strains. More details about that in a moment, but back to Frank—

Just what will the new Lipman bird do? Frank will get no more specific than to say this:

"Our commercial broiler definitely lives better than any outside strain we have tried. It grows somewhat faster, has a lower condemnation rate and fewer blisters. This evaluation is based on commercial size runs, under typical field conditions."

Lipmans started a grandparent flock last year and expects to put 80% of its production into its own breeders in 1971. The company intends to use competitive strains for about 20% of its production at all times as a comparative measure of performance.

"We have no right to be in the breeding business if we can't do it better," Frank says. He doesn't claim to have the answers yet as to how the Lipman strain will perform in areas other than New England. Nor does the new breeding organization plan to offer a male at this time, although one is being developed.

Warren Hendrickson describes the Lipman strain this way:

"The mother is meaty and broad-breasted and very docile. She is as large as the larger of her present commercial competitors. She has good early egg size, without a tendency to end up with a lot of jumbos. Fertility is good and eggs hatch competitively. Shell quality is really excellent.

"She is easy to raise as a pullet (Please turn to page 44)



PEDIGREE HATCHERY of genetic research farm at Winthrop Center, Me., part of the new primary broiler breeder subsidiary of Lipman Brothers, eight miles away in Augusta, Me. Firm is nation's first integrator with breeder for sale.



TWO-TENTHS POUND advantage liveweight is reported by Lipman Brothers at no sacrifice in feed conversion when its own females are crossed on outside males. This is pedigreed breeder mating pen.

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Farm is at Winthrop

and lives and grows under stress conditions better than most of her competitive cousins. We expect hen-housed production figures to be significantly better than those we have obtained using outside lines."

Based on the work done by Drs. Dansky and Rountree, Lipmans thought they had identified enough advantages, using outside stock, to be able to pinpoint added de-

sirable traits that they believed they would have to develop internally. That was when a consulting geneticist was called in and a gene pool established.

Soon after the pedigree program had been launched, intensive effort was placed on five of the original 12 bloodlines. The work was so encouraging, according to Frank Lipman, that he acquired a farm in 1966 at Winthrop Center, a small village about eight miles from Augusta, and put Dick Hatch in charge.

In 1967, a series of pedigree houses were built, each with 48 single male pens. The hatchery is equipped with Jamesway 252's plus hatchers. In 1968, a broiler test house was added. It has 60 pens, each with 250-bird capacity, in which 10 crosses are tested during each run and each cross is replicated six times. In addition, the firm's regular research facilities have been used extensively in the development of the genetic program.

As the best candidates began to emerge, Dr. Dansky began to study nutritional needs from the viewpoint of how to grow broilers for best consumer appeal, how to raise the replacement stock and how to feed the breeders. Dr. Rountree continued his health-genetic interaction experiments, as Dr. Dansky pursued his nutrition-genetic interaction work.

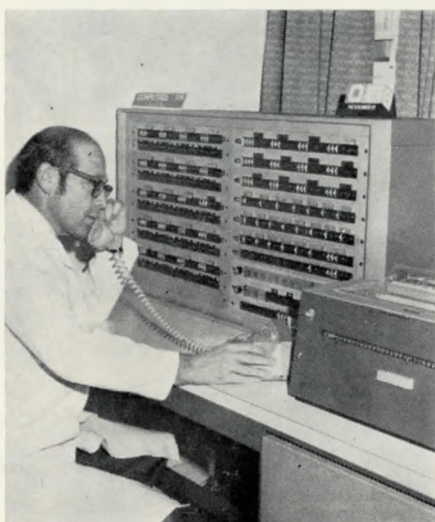
Their discoveries and recommendations, says Warren Hen-

drickson, will be passed on to future owners of Lipman breeding stock.

The Lipmans' venture into primary breeding is rare among integrators. Several have tried it, some are still trying. But this is the first integrator who intends to sell stock nationally.

Barney Lipman, who handles Lipman Brothers' marketing, financing and general business matters, one surmises, is convinced that the firm will recapture the cost of its breeding program from added internal efficiencies and new marketing advantages.

But he also is keenly aware of (Please turn to page 46)



OPTIMUM FEEDING trials convinced Dr. Leonard M. Dansky, Lipmans' director of research, that company should improve primary breeder inputs to gain added efficiency. He went back to 1952 to get comparative checks on breeder performance.



DISEASE RESISTANCE work by Dr. Jerry L. Rountree, D.V.M., director of poultry health programs at Lipmans, indicated to him that a start-from-scratch genetics program might pay added dividends for firm.

Lipman Bros. score many "firsts" in 25 years

YOU CAN FIND plenty of "firsts" in the Lipman Poultry Co., some of which occurred by reason of the nature of the evolving broiler industry, others because of location and still others because of a persistent characteristic of the firm to put very strong emphasis on premium outlets for its broilers.

The Augusta, Me., firm is owned by three brothers, Bernard, Harold and Frank, and was founded by their father, Samuel Lipman, a Boston tailor who moved his family to Skowhegan, Me., in 1918.

It wasn't long before Samuel Lipman expanded his activity to include buying of live poultry for transportation and sale in Boston. He lived on the edge of town, began to raise some chickens himself and eventually became a poultry fancier.

Even though the present generation got early exposure to poultry, it didn't "take" immediately.

Bernard, the oldest, went to Colby College. He graduated in 1931 (not in agriculture, of course). Harold, the second oldest, elected to stay home. Frank went to Colby, too, and majored in chemistry!

The present firm really got its start in 1939 when the Lipman brothers started to buy poultry. By 1941, they decided to go into broiler production themselves. This was in the Skowhegan area.

Later, they moved headquarters to Bangor where they started a dressing plant. In 1952, they moved to Augusta where they built one of the most modern poultry processing facilities in the country. Today, the firm produces something less than 20 million birds per year (peak weekly placements run at 400,000).

Perhaps the single most noteworthy characteristic of the Lipman organization continues to be its strong consumer orientation.

The Lipmans sent their customers "better quality birds in better containers," and, at one time, were able to develop a special New York market quotation for top quality broilers. They were among the first to go into the government grading program and one of the first to eviscerate.

The firm started to hatch its own chicks in 1950 to help insure supply and quality. In 1955, the Lipmans decided to build a feed mill and employed a nutritionist, Dr. Leonard



PIPE-SMOKING "BARNEY" LIPMAN, shown with Dick Hatch, director of applied genetics for new breeding subsidiary, handles company's finances, processing and marketing. Lipmans' new bird was conceived, firm says, with added consumer appeal first in mind.

M. Dansky, now director of research.

His charge was to formulate feeds which would produce the best quality birds from the consumers' viewpoint, not necessarily least-cost feeds. Eventually, Lipman achieved both objectives. It was a Lipman broiler feed which resulted in the breaking of the "3-6-2" barrier at the Maine Broiler Test in the early 1960's.

Since 1958, Dr. Jerry Rountree, a veterinarian who holds an advanced degree in poultry science, has served as director of poultry health.

In 1960-61, the Lipmans began to barge corn to Maine, a move of national note at the time. This action helped to establish competitive rail rates for grain shipment to New England. About this time, 1960, the Lipmans took another step. They built an offal processing plant.

In 1966, the firm entered the fish catching and processing industry by establishing a separate company, Lipman Marine Products, for the purpose. It is based in Gloucester, Mass., and is managed by a fourth brother, Sidney Lipman. The fleet, also owned by the fishing firm, supplies a plant which can process up to 500 tons of fish per day. When

running at capacity, the plant turns out 100 tons of fish meal daily.

Not far away, in Cranston, R. I., is Lipman Foods, Inc., a recently constructed further processing operation, which will have about 100 employees by the first of the year. This plant currently prepackages uncooked cut-up. Cookers and freezers are being installed for retail and institutional frozen precooked. The machines are unique in that they will be able to handle several sizes of product at a time.

Key responsibilities of the parent company are shared by the Lipman brothers as follows: Frank is in charge of all production activities relating to the live chickens. Harold looks after all building, equipment and vehicles. Bernard has responsibility for processing, marketing and all financing.

The Lipman firm has welded a strong team of loyal, dedicated managers, professionals and workers. At Lipmans, "everybody cares." The Lipmans don't say so. Their people do! It's the kind of teamwork that undoubtedly encourages the Lipmans to enter the highly competitive primary breeding field. They believe in themselves as much as they do in their program! ■