

Poultry Tribune

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LEFT TO RIGHT: John Frederich, Gale Creighton, Russell Creighton, Hobart Creighton and Edward Creighton.

"For the past 50 years the egg business has been our place to make money."

CREIGHTON BROTHERS
WARSAW, IND.

SEE PAGE 22

"The egg business is our place to make money"

After being in the egg business for 50 years, Creighton Brothers continues to make the right moves. Currently under construction is a new 120,000-bird cage layer farm. Pullets for the farm were started January 28 on a new pullet rearing farm equipped with automated cages.

By Milton R. Dunk

ϕ "The backbone of our business is egg production and it has been that way for the past 50 years. We continue to look at the alternatives but we always get back to the fact that the egg business is our place to make money," says John Frederich, general manager, Creighton Brothers, Warsaw, Ind.

Frederich has been with Creightons since 1938 and has a pretty good idea what it takes to be successful in the egg business.

He claims, "There hasn't been a year since I have been with Creigh-

ton Brothers that we haven't made money in the chicken business."

When many people have lost money in the egg business, why is it that Creighton Brothers has been able to make money year after year?

Frederich answers that question this way: "Farming is a profitable business. Frankly, I don't know why people don't make money. We are highly integrated. Everything we have is in some way related to the chicken business with the exception of our hog operation.

"You can blame workers for a lot of things, but if the business fails, it is management's fault. Creighton management is very frugal in the

way it lives and manages. I think this has a bearing on things."

Eddie Creighton, who is the son of Hobart Creighton, one of the founders of the business, adds these comments. "We have a very tight fiscal policy. We watch our accounts receivable. Whenever we have somebody who owes us money that we can't collect, we don't blame him, we blame ourselves. We don't get a person in debt if we don't know a good way to get him out of it. Our bad debt ratio is relatively low."

Frederich has never been an exponent of the cage system. On several occasions, Frederich has told us: "I haven't seen enough evidence

Creighton Brothers celebrates 50 years in the egg business

The story of Creighton Brothers, Warsaw, Ind., is one of growth, progress, and service for a period of half a century. This Midwest egg operation has grown from a tiny beginning to one of America's largest producers of high quality eggs.

In 1925, Hobart and Russell Creighton started in the egg business with 1,200 pullets.

Before getting into poultry, Hobart and his younger brother, Russell, were in the hog business. There was a 38-acre tract of land, part of the old Creighton homestead, waiting to be farmed, so the Creighton brothers decided to raise hogs.

They built a 30 x 120 ft. hog house. Russell took active management of the hog farm, while

Hobart taught school to help finance the operation.

In a feature article in the December 1928 issue of Poultry Tribune, Hobart stated, "When the bottom went out of the hog market, I went with it." The brothers decided to try poultry. The hog house was converted to a laying house. In the winter of 1924-25, they ordered 3,000 White Leghorn chicks for spring delivery from the Manwarings at Mentone, Ind.

The hog house proved so satisfactory as a laying house that another one just like it was built in 1927 and another one was added in 1928. Since then many, many of these houses have been built by the Creightons. The house became known as the "Creighton House." The standard Creighton House was 210 ft. instead of the original 120 ft.

In order to encourage people in the area to get into the chicken business, Creightons gave away plans of their house.

Many of these houses are still being used at



This photo of Russell (left) and Hobart Creighton was taken in Creighton's egg processing plant on January 15, 1975. —Poultry Tribune photo.

Creighton Brothers. Plans call for phasing all of them out within the next few years.

In 1928, Creighton Brothers started their own hatchery. Not long after that, Creightons got into the poultry breeding business. At one time, they were one of America's largest ROP breeders of White Leghorns. Their bird was sold under the trade name of "Creighton Leghorn."

Creightons went into the turkey business in the 1960's. At one time they raised 100,000 turkeys a year. This segment of their operations was discontinued in 1970.

"We never lost a dime in the turkey business," Eddie Creighton comments, "but we were not getting the return on our investment that we were getting in the egg business. We wanted to put more emphasis on the egg business because we are used to the risks with chickens but not with turkeys."

Creighton Brothers has been a partnership from the very beginning. Today, the partnership consists of Hobart and Russell Creighton and

their children and grandchildren. John Frederick, general manager, is the only member of the partnership who is not a member of the Creighton family.

Russell and his wife, Helen, have six children — Gale, David, Robert, Marilyn, Dorothy, and Evelyn. Gale is in charge of the feed mill and related operations.

Hobart's family includes his wife, Esther, and their four children — Edward, Martha, Barbara, and Josephine. Eddie is in charge of general farming operations and financial affairs.

"They call me general manager," John Frederick points out, "but that is just a title somebody hung on me. A partner is a partner and has equal rights in the business."

Within the partnership, Eddie Creighton, Gale Creighton, and John Frederick are the people who are active in the management of Creighton Brothers. "As long as you make money, you aren't going to have any problems within a part-

VALUE \$15,000 IN LIFE

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By L. M. KLEVAY

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This is a reproduction of the photo of Hobart (left) and Russell Creighton which appeared in the December 1928 issue of Poultry Tribune.

50th Anniversary Continued from page 23

nership," John believes.

Through the years, Hobart and Russell have been a great brother team. While both of them have been active in community activities, Hobart has been regarded as the "front" man. Hobart is a past president of the Poultry and Egg National Board (now the American Egg Board). He also served in the Indiana House of Representatives for 16 years — six years as Speaker.

In May 1938, Hobart judged a baby chick show at the University of Kentucky. John Fredrich was just finishing his senior year and was anxious for a job when he graduated in June. Dr. J. Holmes Martin, who was head of University of Kentucky Poultry Department at that time and later went to Purdue University, introduced John to Hobart.

"We met in the livestock pavilion," John recalls. "We talked for about five minutes and I agreed to come to Warsaw to work for Creightons."

Interesting enough, John made the trip from

Kentucky to Warsaw with the late Charles Manwaring — a competitor of Creighton Brothers. John got to Warsaw at midnight on July 1, 1938. The next day, Hobart got John up at 4 a.m. to help load lumber on a truck to be used for building a chicken house.

"My father was a truck gardener," John explains. "I was raised on six acres. We had a mule and a hoe. That was the way we made a living. When I was a sophomore in high school, I took vocational agriculture and got interested in poultry. That's why I majored in poultry when I went to the University of Kentucky."

When John came to Creightons in 1938, they had 20,000 layers in 13 houses. "It was the biggest operation I had ever seen," John comments.

Creightons make their moves cautiously, using considerable deliberation and planning. That's why people always keep asking: "What's new at Creightons?" You can be sure, there is always something new at Creighton Brothers.

to warrant the switch."

On our recent visit to Creightons, he said, "I have changed my mind."

There are about 250,000 layers in the Creighton operations. All of the laying houses except one are slat floor houses with Storm egg gathering nests. About two years ago, Creightons put a Keenco cage system in one of their houses.

The layer population has remained at the 250,000-bird level for several years because they did not have a market for any more eggs. Recently, new markets have been developed. As a result, currently under construction is a new 120,000-bird layer farm. The two 57 x 472 ft. laying houses on this farm are being equipped with Triple "A" Line Keenco Feedsaver automated cage layer systems. One of the houses will include a cooler and an egg handling room which will be quipped with a new Diamond 80 case per hour farm packer.

A new pullet rearing farm already has been set up to provide pullets for the new layer farm. For the first time in the 50 years that Creighton Brothers has been in operation, pullets will be reared in cages. The two 60 x 276 ft. houses on the new pullet farm are equipped with triple deck Keenco starter/grow cages. Heat in the buildings is provided by hot water systems. Day-old chicks were placed in the cages on January 28.

Creightons put in cages because they have become highly automated. "When cages first came out," Frederich explains, "feeding and egg gathering was done by hand and we didn't feel cages were any better than the system we were using. About two years ago, we started talking about rearing our pullets in

"There has to be a better way of moving birds in and out of cages. In fact, we are working on some ideas right now to get this job done with less labor."

cages because of the cost of energy and high feed prices. These cost factors are more significant today. In fact, any cost is significant."

He questions whether or not they will be able to save labor in their starter/grow cages. Frederich cites the labor involved in debeaking and vaccination. "Moving birds in and out of cages or houses is a big problem in our industry. There has to be a better way of moving birds in and out of cages. In fact, we are working on some ideas right now to get this job done with less labor," Frederich reveals.

Through the years, Creighton Brothers has cooperated with commercial companies, Purdue University, and the U.S. Department of Agriculture on any number of special projects.

"It is to our advantage to do this," Eddie Creighton says. "This puts us on the ground floor for new research. We benefit from this research. If we can help in developing this research, we are all for it."

The Creightons have worked with Merck, Elanco, American Scientific Laboratories, and other pharmaceuticals in feeding and vaccine work. They cooperated with the USDA Poultry Disease Laboratory at East Lansing, Mich. by field testing the turkey herpesvirus Mareks vaccine.

"Like most egg producers, Mareks disease was a big problem for us," Frederich admits. "By working with the East Lansing people, we probably had a six-month start on most people."

The most recent cooperative project was working with Diamond Automation Division, Diamond International Corporation on its new Page PA-120 (120 cases of eggs per hour) egg processing system. This equipment was unveiled for the first time at the recent Southeastern-International Poultry Convention in Atlanta.

The Creightons enforced a tight security program for more than 18 months while the PA-120 system was being fine tuned. Many people regard this activity as one of the egg industry's most carefully guarded secrets.

"We locked the doors of our processing plant five months before this new equipment was brought in," Frederich points out. "By the time the equipment arrived, very few people were allowed in the plant. If a person's name wasn't on the list, they didn't get in. We told the people that work in our plant: 'What goes on here is your business and our business, but no one else's business.' We explained to people who wanted to visit the plant that we were doing some classified work and we would let them in when it was completed."

Diamond also has developed a 120-case per hour egg washer and automatic loader to be used with the new PA-120.

In the past, Creightons didn't buy eggs. Now they are buying eggs from five independent producers on a grade yield basis. All of these producers live within seven miles of



Creighton Brothers headquarters building, built in 1947, is located just a few miles west of Warsaw, Ind. on old U.S. route 30.

the processing plant.

"We don't want to have any producer more than 10 miles away from our plant, and so far we have been successful in accomplishing this," Frederich contends. "If any producer that we buy eggs from has a problem, we can be there in a very short time. We help our producers in any phase of management they ask for, and if we see something they haven't asked for and we think they need it, we help them with that, too."

At all of the laying houses, eggs are either packed automatically or semi-automatically into plastic filler flats and then placed by hand on wooden pallets — 25 cases (30 dozen per case) of eggs per pallet. The filler flats are stacked six or seven high in four layers with a ½ inch plywood board in between each layer.

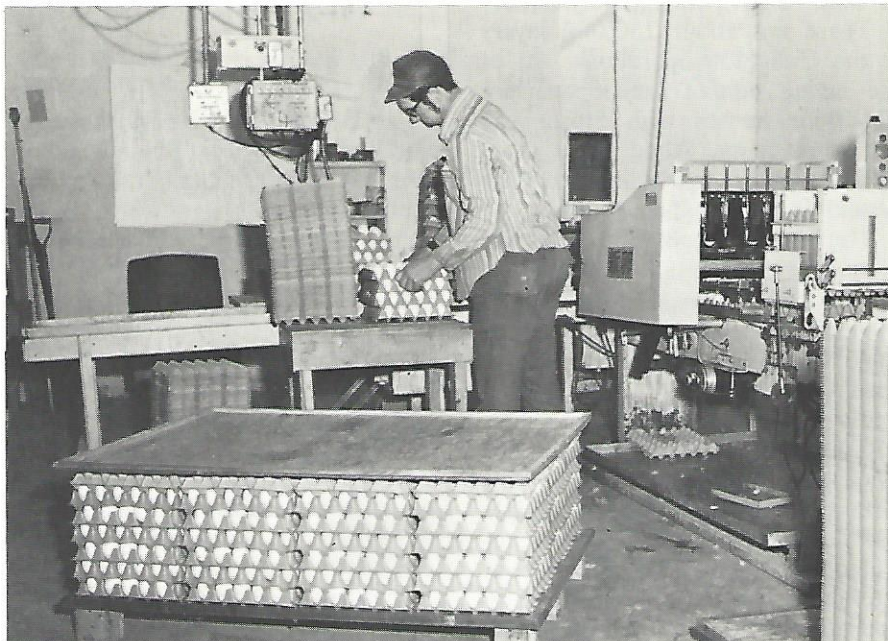
Most of the eggs from the Creighton egg processing plant are marketed in the triangle of Fort Wayne, Indianapolis, and Chicago. About 85 percent of the eggs are sold in cartons.

Frederich is against egg contracting. "I have never seen a contract written for the producer," he contends. "Contracts are written for somebody instead of the fellow raising the chickens. I have always believed that the contract producer gets the raw end of the deal."

Creightons have helped a number of farmers in their area to get into egg production. If they lacked financial backing, Creightons endorsed their note. They encouraged these farmers to obtain their capital from their usual credit source. All that Creightons asked of a farmer was that he purchase his started pullets and feed from them.

Each layer farm is on an all-in, all-out type of operation with not more than 120,000 layers on any one farm. "I know that this is not the trend in the industry today, but maybe we are conservative," Frederich admits. "Whenever we talk to veterinarians, they tell us this is the way to go to keep a bird healthy. With all-in, all-out operations, you get a few more eggs and the number of eggs you get per bird is the name of the game."

The newer Creighton poultry



At this laying house, eggs are packed by a new Diamond 80 case per hour farm packer into plastic filler flats and then placed by hand on wooden pallets.



At the processing plant, flats of eggs are placed on the conveyor of a Diamond PA-120 automatic loader. The flats are returned automatically to the stacker. Later the flats are run through a flats washer.

"THE EGG BUSINESS IS OUR PLACE TO MAKE MONEY"



The new layer farm includes two 57 x 472 ft. cage houses which have capacity for 120,000 layers. The houses are being equipped with Triple "A" Line Keenco automated cage layer systems. Pullets will be housed in this new facility sometime in June.

hour, so it doesn't take long to clean out a pit.

Part of the manure from the floor brooder houses is spread on corn ground with manure spreaders.

The rest of the manure from these brooder houses is put in glass lined silos and used for cattle feed. This operation was started just last year.

"This method of using manure is working out well for us. We think it is a much more economical way to go than drying the manure," Frederich claims.

Since the litter in the brooder houses is corn cobs, nothing is added to the manure except water before it is put in the silos. Frederich feels that poultry manure should be fed to cattle, not chickens. "This is a more efficient way to use it," he believes. "Protein has been running about 20 percent, calcium around 3 percent, phosphorous 2 percent. This makes a good cattle feed."

For a number of years, Creightons have been raising 500,000 to 750,000 ducks a year on a custom basis for Maple Leaf Farms, Inc. at Milford, Ind. Some of the older laying houses are being used for raising the ducks. Ducklings are started at day old and raised to market age — six to seven weeks. Frederich likes to point out that his county (Kosciusko) is the number two duck producing county in the U.S.

Creightons are raising swine breeding stock for Allied Mills. Allied picks out the gilts it wants and the barrows and any gilts that Allied doesn't want are marketed by Creightons as fat hogs. This amounts to about 3,600 market hogs a year.

Creightons also have a beef

breeding herd of 750 cows and heifers. This is not a purebred herd. Plans are to build up the herd to 1,000 head. Angus females are mated with Simmental bulls. Then the females from this cross are mated with Charolais bulls. The

"We have a very tight fiscal policy. We watch our accounts receivable. Whenever we have somebody who owes us money that we can't collect, we don't blame him, we blame ourselves."

Eddie Creighton

progeny from this second cross are either sold as calves or fed out and marketed as fat cattle.

Traditionally, Frederich has vigorously opposed mandatory production controls for the egg industry. When we asked him recently how he felt about controls, he said, "I may have mellowed slightly, but it isn't noticeable. I am against production controls. I am for the free market system. Who wants to control food production? People who need production controls probably haven't changed their businesses with the times."

Frederich also has some specific ideas on cash vs. accrual accounting. He says, "I think the accrual method of accounting is the way to keep books. If you run your business for income tax reasons, you are on the wrong track. We run a business to pay income tax. If you don't pay any, then there is something wrong

with your business."

John Frederich has been with Creighton Brothers for 37 years. While Frederich is not planning to retire, he would like to have someone else take over.

About four years ago, he made the decision that if Creighton Brothers were going to continue to be successful, the person supposedly at the top couldn't stay there. Frederich believes that there has to be other people coming along, and as long as he remains general manager, no one else will be coming along.

"You know," Frederich philosophizes, "you keep advancing until you become incompetent and then you have to quit. I don't want to get into that fix."

He wants to step down. He wants to be able to give all of the advice and knowledge he has acquired to someone else in order to keep Creighton Brothers moving ahead.

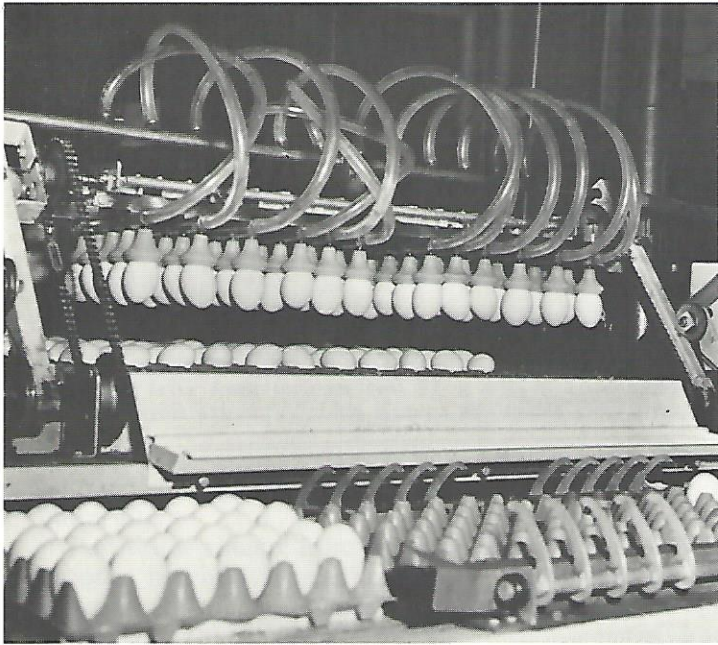
What is ahead for Creighton Brothers?

"Those last few sentences in the Creighton feature article which appeared in the December 1928 issue of Poultry Tribune are just as good today as they were then," John Frederich responds.

We dusted off Volume 34 of Poultry Tribune, looked up the Creighton article, and found these words: "Successful? Yes! but Creightons are looking forward to even greater achievements." □

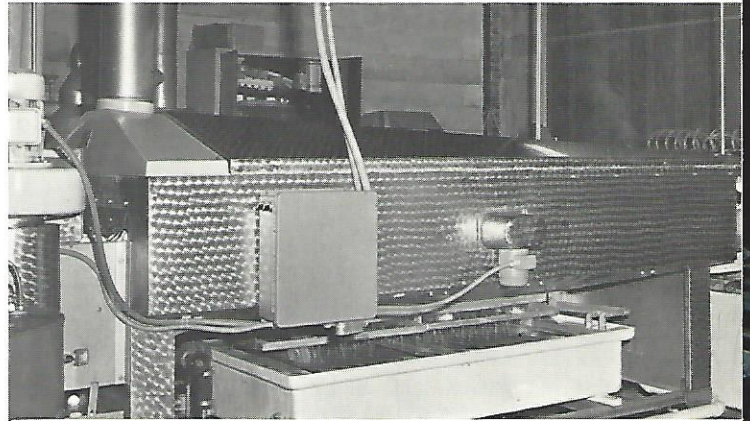
"As long as they are keeping score, I want my team to win."

—Adolph Rupp

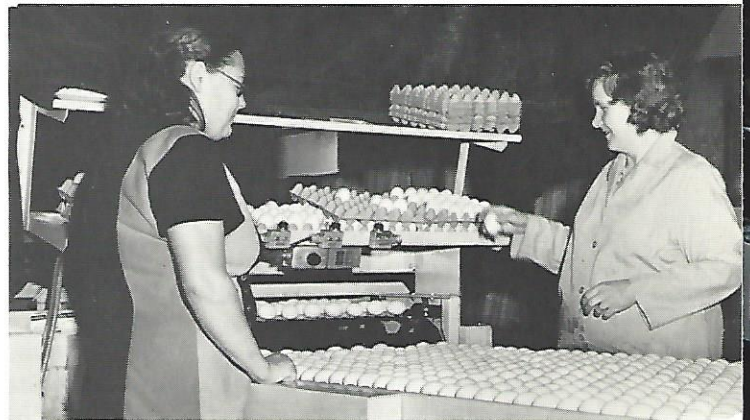


The vacuum head of the loader picks up 60 eggs at a time and spreads them out to fit the spools of the egg washer conveyor.

"People who need production controls probably haven't changed their businesses with the times."



This new Diamond washer cleans more than 120 cases of eggs an hour. Eggs are oiled after they leave the washer.



Creightons found that although eggs are moving by the candlers at 120 cases per hour, the double light bank provides more inspection time than with their PA 70 equipment.

Eggs from the candling booth move directly through the new Page PA-120 in Creighton's plant. The operation is handled by six women and a machine operator. The PA-120 was under a security program at Creightons for 18 months of development.

