

Farmers Cooperative Elevator Company

PARTNERS IN PRODUCTION

OCTOBER 2023





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OUR VISION IS "TO BE THE AGRIBUSINESS OF CHOICE FOR EMPLOYEES AND PATRONS"

OUR MISSION IS "TO BE A PROFITABLE QUALITY SUPPLIER OF AGRICULTURE PRODUCTS AND SERVICES"

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CHANGE OR CHALLENGE THE STATUS QUO

Rusty Morehead, CEO, FCEC



The status quo is defined as "the existing state of affairs, how things stand, or the existing conditions everyone considers normal or are afraid to change." When I think of the "status quo," I think of the phrase "this is how we do it because this is how it has always been done." As human beings, most of us like to get into a routine or habit that allows a sense of being comfortable. Businesses are no different.

We have all witnessed a business that fell into the trap of "digging their heels in," resisting change, and that being their ultimate demise. Blockbuster is one of the most recent examples of this. Blockbuster's failure to adapt to changing market conditions, poor customer service, and ignoring the shift of client preferences resulted in its downfall.

As a cooperative, it is super important that we don't fall into the trap of "digging our heels in" and resisting change. Your operations continue to grow in both size and speed of operation. It is vital as your coop that we work hard to continue to keep up with improved services and equipment. This can be challenging at times as we understand. Though all of your operations are alike in some ways, they are vastly different in others. The key to being successful is understanding your differences and being flexible to deliver the services you need each and every day. Our services are core to our business with our mission statement being "To be a Profitable, Quality Supplier of Agriculture Products and Services." Today, some of these products and many of the services come in different forms than they have in the past. A few examples of these services include:

- Increased automation that drives efficiency and accuracy, not only at our locations, but also in the equipment we use to apply products to your fields.
- The Bushel App which allows you to see your grain tickets as soon as your grain is delivered to the elevator.
- Direct farm shipments of fertilizer, chemicals, fuel, feed, etc.
- Our FOB, the Field Truck Program, continues to grow each harvest as labor and logistics become harder for our farmers to find.

The services listed above are just a few of the things we have grown or have built on. We continue to look at the other services we provide and are always looking for ways to build on them or make them better as well. Though we work hard to make sure we have the services needed to take care of the business today, we also work at planning for the next 5-10 years. That being said, you all know it's hard to predict the future. There will be things we try to do that may fail and need to be changed. Though we may fail at times, it's important you know that we are working to better your cooperative with you and your futures in mind. We are always looking for constructive feedback and things we can do to improve. We hope that you will share your ideas, and we also hope that you all pursue and try new ideas for your operations. In the end, there is only one way that we will be successful and that is if we work together.

I was having a conversation with a farmer not too long ago and he told me that he had heard by the year 2050 we were going to need to produce 60% more food to feed a world population of 9.3 billion people. Well, I looked that up, and that statement was made by the Food and Agriculture Organization in 2012. To accomplish this feat, it is truly going to take us all working together "challenging and changing the status quo."

We truly appreciate all of your continued support and look forward to serving you!

Thank You,

FCEC SUMMER INTERN



Emma Harrison spent the Summer of 2023 as a Farmers Coop Intern. While working in various departments, Emma gained the knowledge and skills necessary to prepare for an employment opportunity in the agricultural industry. She gained experience in agronomy, grain, feed, sales, operations, and fuel. While attending Cheney High School, Emma previously worked at the Cheney Elevator for three summers, including a student internship in 2022 at the Cheney Administration Office. Emma graduated from Dodge City Community College and is currently attending K-State where she's majoring in Agronomy or Fisheries Ecology and Management.

EMPLOYEE Anniversaries

Here at FCEC, we pride ourselves on delivering excellent customer service to all our patrons, and we know it takes talented employees to meet our producers' needs. At FCEC, we feel we have the best team out there and want to thank ALL of them for their hard work and dedication. We would like to celebrate some of our employee work anniversaries and thank them for all they do!

5 years

**SHAWN TALKINGTON
RYAN GRAF
JENNIFER THOMPSON**

10 years

TROY TYSON

Again, thank you all for your hard work, dedication, and excellent service you have given to FCEC and our patrons!

HARVEST 2023

Ryan Graf

2023 has been a roller coaster ride that I think everyone is ready to get off of. We've gone from drought to substantial rainfall back to drought. Plus, throw in scorching heat to top it off. On the plus side, 2024 can only be better than this year, or so we hope.

This year's wheat harvest was the first time since 2014 that we took under 3 million bushels of wheat. Our total wheat intake was just under 2.4 million, which would be about 46% of our 5-year average. We have purchased about 68% of the crop so far with the average price being \$8.04. This year was a lower quality crop with producers seeing sprout damage due to the untimely rains that delayed harvest.

Fall harvest kicked off in late August with the start of corn. As of October 3, we have received almost 1 million bushels of corn, 90,000 of milo, and 238,000 of beans. Quality hasn't been quite as good as

in the past due to drought and heat.

Over the past couple of years, grain prices rallied right before or during harvest, so contracted bushels didn't look as good. This year things got back to normal with a good portion of patrons' contracts being higher priced than at harvest time. Going forward, I think it is a good idea to keep an eye on the markets so you can contract some bushels at profitable levels. With the dry conditions, I know it is difficult to think about contracting, but I would encourage everyone to look into it. On a year like this, you might want to contract in smaller increments. No matter if you want to do an HTA or Forward Contract, the offer sheet is always a great option.

Thanks to all of our patrons that have supported us in 2023; we wouldn't be where we are today without you!



Boost Cattle Performance with RX3

The excitement surrounding this year's projected calf prices is a good reminder of the value of healthy calves. To capitalize on the strong cattle market, your calves need to be at the top of their game. Don't let a lack of preparation impact your calves' future performance or potentially eat into your profit.

A long-time leading profit stealer in beef production has been respiratory challenges, which costs the beef industry more than \$1 billion annually. These challenges can be amplified by risk factors like stress and extreme weather and have shown long-term negative effects on cattle performance. Despite improvements in vaccines, management practices and genetics, respiratory challenges still impact one in five calves yearly. With the high cost of inputs and labor, ensuring that health challenges don't negatively impact your investment in calves is crucial. The benefits of properly priming a calf's immune system toward performance can be impactful.

Foundation for Immunity

Setting calves up for optimal performance starts with a quality nutrition program that can prime their immune response. During weaning, calves' immune systems are still developing so they can address various health challenges. It's critical to support calves' immune systems during this time of high stress. Providing calves with a quality, palatable starter feed helps get calves eating quickly at weaning. The immune system

strengthens when calves eat and meet their nutritional needs, giving them a better chance of staying healthy through weaning. A high-quality nutrition program can also help support vaccine and dewormer investments. Proper nutrition provides the energy needed to support ideal immune function. Higher planes of nutrition can also help calves to maintain growth, even during times of stress.

Proprietary Technology

To help address the challenges of supporting a healthy immune system at weaning, Purina Animal Nutrition researched, developed and launched a proprietary additive known as RX3® Immune Support Technology in 2019. RX3® Immune Support Technology is a unique, non-medicated feed additive found exclusively in Purina® starter feeds. The feed additive contains a powerful combination of very specific prebiotics, probiotics and plant extracts that help address common, costly calf health challenges head-on.

RX3® Immune Support Technology gets its name from its groundbreaking ability to help calves' immune system:

- Recognize sooner
- Respond more appropriately
- Return to optimal health more quickly

Research shows calves fed Purina starters with RX3 Immune Support Technology compared to control calves:

- Had less variation in average daily gain and were more uniform
- Gained 6 pounds more, on average within a 30-day period
- Bounced back faster (when encountering health challenges) and looked healthier quicker.

RX3® Immune Support Technology is included in all Purina® Precon® and Purina® Accuration® starter complete feeds and Purina® Stress Care® 5 supplement feeds. Give us a call at 316-535-2291 or stop in to the Feedstore in Garden Plain to discuss which of these products will best fit your operation.



WINTER DIESEL

Jeff Conard

As we move into cooler temperatures in October, one of the questions we get asked in the energy department is, "Do you have winter diesel in?" The short answer is not until mid-November. However, first let's look at what "winter diesel" really is. We

blend our diesel in stages. Starting mid-October, we will add a cold flow additive. This is a chemical additive we add to the diesel fuel to help it flow better and keep it from gelling or waxing up. Like the seed we plant and tractors we drive, what we have today is vastly superior to what we were using even 10 years ago. It now not only makes the wax crystals that form smaller and more needle like, it also has a deicer to breakup any water in the diesel and a WASA or wax anti-settling agent. The WASA is extremely important in a farm tank that see's intermittent use. It helps keep the wax in suspension and from settling to the bottom of the tank.

Diesel fuel in this area has a cloud point of around 15 degrees. What this means is at 15 degrees no wax has formed yet, and unless you have excess water in your tank, everything will work fine. Under 15 degrees and you will start plugging filters. A good additive will drop operability to around 0 degrees. Wax will still form but filters will pass fuel. Under 0 degrees, you must add #1 diesel. We hold off adding #1 until mid-November for a couple of reasons. One, it is very expensive. As of the first of October, #1 diesel was \$.36/gal higher. Last year it was as much as \$.50 higher than summer diesel. Two, it is far less efficient. It has roughly

75% of the energy as summer diesel.

So, how do we manage having the right fuel in your tank when cold weather strikes? We can always blend out dyed diesel tanks. We have the storage room to keep a tank of straight #1 dyed. On clear diesel, it takes a little more planning. We can bring in #1 clear and put it directly on a truck and out to your tank, but we need plenty of notice. Help us keep track of what is in your tank, so we can get it blended out for you.

As always, thanks for the business.

FCEC *Newest* EMPLOYEES



CHRIS LADD // CHENEY/VARNER/PRETTY PRAIRIE

Chris was hired on August 14, 2023 as an Elevator Operator. He currently lives in Pretty Prairie, so much of his workload is spent at the Varner Facility. Chris has several hobbies including fishing, golfing, watching football, and playing guitar. Chris is self taught on the guitar and has been playing since he was nine years old.

CHRISTOPHER PEREIRA // CHENEY/VARNER/PRETTY PRAIRIE

Christopher began work on August 14, 2023 as an Elevator Operator. He recently migrated from Trinidad and Tobago, which is located in the Caribbean. He and his wife, Kelly, have three daughters. Christopher owned and operated his own HVAC company for the past 15 years. Christopher enjoys watching NFL and NBA games in his spare time. Other hobbies include installing after market car audio systems.



GARRETT PICKENS // GARDEN PLAIN

Garrett was born and raised on a family farm in Southwest Kansas. After graduating from Satanta High School, Garrett received his Certificate in Welding from Seward County Community College. Garrett was hired on September 1, 2023, and he brings plenty of agricultural experience to the Coop. He is currently employed as a custom applicator at the Garden Plain location. Garrett moved here to be closer to his son and family.



JON RHODES // CHENEY TBA

Jon started with the Cheney TBA on April 17, 2023. Jon is originally from Clearwater, Kansas. Jon joined the United States Marine Corps in 2008 and was stationed in Twenty-Nine Palms, California. During this time, he met his wife, Allie. In 2012, Jon was honorably discharged and started college, where he finished an Associate's Degree. In April 2023, Jon moved to Haysville, Kansas with Allie and their two boxer dogs to be closer to family. Jon has many years of experience in sales, general contracting and construction, and service writing. In his spare time, Jon enjoys spending time with his family and friends, watching football, golfing, and working on his project cars, which currently include a 1968 Ford Mustang and 1976 Ford F250, but he is always looking for more to add to the collection.



ASHTON SCHNEIDER // CHENEY

Ashton grew up on a farm and ranch near Clearwater, Kansas. She and her family raise a commercial cattle herd, operate a direct-to-consumer beef business, and grow crops and feed. Ashton has one daughter who loves agriculture as much as she does and is happy to raise her on the same farm that she grew up on. Ashton began employment on May 22, 2023 where she brings prior elevator office and feed store experience to our Cheney location. She enjoys assisting customers with their day to day needs for their operations.



CLEANER FIELDS AND HIGHER YIELDS Derek Lumley

Achieved with CoAxium powered by Aggressor AX herbicide is the latest, most effective wheat production system for controlling cheatgrass, feral rye, and other Group 2 resistant grassy weeds. It delivers 95% + grassy weed control of downy and other brome species, feral rye, jointed goat grass, wild oats, and volunteer cereals.

Once you have selected the right CoAxium variety for your fields, it is time to identify any weed species and the level of pressure in your fields. After that, it's time for application.

Best Management Practices

Brome, Feral Rye, Cereal Rye, and Jointed Goat Grass

- Spring Aggressor AX rate 12oz/acre
- Surfactant: Use MSO in Spring, NIS in the fall
- Use fall + Spring applications when possible.
- Minimum of 15 gallons per acre
- Tank-mix with nitrogen-based fertilizer up to 30% by volume
- Use crop rotation when possible
- Rotate with Clearfield Production Systems

Knowing when to spray Aggressor AX

- Spray early, before grassy weeds can compete with your wheat crop.
- 4 leaf up to stem elongation (1st node detected)
- Wheat and grassy weeds must be actively growing
- DO NOT apply when freezing temperatures are expected 5 days before or after application

Split application of Aggressor AX herbicide has shown the best results. Relying on single spring applications can prove troublesome with application windows being narrow and dealing with unpredictable weather. (What? Surely not in Kansas, right?) As mentioned previously, the wheat needs to be at 4 leaf this fall to make a split application. As always, if you have any questions please contact:

Jason Rethman- 620-600-0755
Layne Lagasse - 785-614-2893
Sam Reno- 316-772-3234
James Renner- 316-217-5024
Derek Lumley- 620-840-1141

HANDLE WEEDS WITH A LITTLE BIT OF "FINESSE" Derek Lumley

Summer like temps at the end of September helped us remember the harvest struggles of the recent wheat crop. We want to take a moment and discuss weed management options in our next wheat crop to hopefully help avoid issues for 2024.

Finesse cereal and fallow herbicide is a dry-flowable granule that delivers excellent winter annual grass suppression in wheat, durum wheat, barley, triticale, and fallow.

A single preemergence application to winter wheat suppresses yield-robbing grasses, including annual ryegrass, annual bluegrass, cheat and downy brome, and it provides excellent control of many winter annual broadleaf weeds.

The herbicide manages broadleaf weeds like blue mustard, henbit, flixweed, tansy mustard, Russian

thistle, wild buckwheat, and wild mustard all season long with one cost-effective application:

Just a small use rate of .3 oz/Ac Finesse:

- Helps support maximum yields with excellent crop tolerance and no grazing restrictions.
- Effectively controls labeled winter annual broad-leaf weeds.
- Tank mixes easily with liquid fertilizer and other herbicides, fungicides, or insecticides.
- Provides both preemergent and post emergent activity.
- Effective all season long with one cost-effective application.
- Can be applied in the fall, winter, or spring.



Farmers Cooperative Elevator Company

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Clonmel: 620-545-7138
Garden Plain:
316-535-2221
1-800-200-2122
GP Feed Store:
316-535-2291
Kingman Propane/Fuel
620-532-5614
Norwich: 620-478-2272
Pretty Prairie & Varner
620-459-6513
Rago: call Belmont



Dixie Brewster
FCEC Board Chair

Our Coop, like the farmer, lives in a world of repairs. And just like that...the leg is plugged, the gas pumps are down, the auger sheered a bolt, the air bag has a leak, the hydraulic hose is leaking, and the nozzle tip is gone. It's amazing that we spend thousands of dollars on equipment to serve the farmer, and then all work stops because IT needs fixed. Oh how we'd love to keep things running on baling wire, duct tape, and W-D 40, but there's much more needed--more dollars and more help.

The repair challenge is real, and we are facing times where parts and labor are hard to come by and unbelievably expensive. Time is of the essence, and it becomes a challenge to endure the "wait time" while the repairs are made. Our Coop relies on the patience of the farmer and we surely know these are tough times.

We appreciate your business

more than ever, and our board is challenged to make the best and most beneficial decisions for you and your Coop. We are working for you and our challenges are great; just like the farmers, ranchers, and all our patrons relying on the crops. Rain, like patience, is in short supply as we struggle to survive the drought and this busy season of fall harvest, planting, calving, and much more. We can make it with God's help, family, and friends. Remember that we're only here for a little while, so make the best of it!

