

■ HANLEY FALLS · COTTONWOOD · ECHO ■
 GRANITE FALLS

 MINNESOTA FALLS
 ■ MONTEVIDEO · TAUNTON · MINNEOTA ■

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April 2017

From the manager... Annual meeting had a good turnout

Thanks to all of you that were able to attend our 2017 Annual Meeting. We had a very good turnout once again. Our Auditor Dale Carlson reported to the Patron/Owners that FCE had a \$1.44 million local profit in 2016 and a \$2.2 million net margin for the year. This was down a little from last year but was still a very good year in the challenging environment of 2016. FCE dumped record volumes of corn and soybeans last Fall. We picked up our open corn piles with minimal spoilage. We had the transportation lined up and the corn marketed when we were piling so we wouldn't get caught with nowhere to go with the piled grain. We also reported to



By
Scott Dubbelde

the crowd that the Feed and Seed departments had decent year's also.

We visited about the Market Access that FCE now has and how we keep improving our Speed and Space as time and money allows. FCE now has 17 scales, 20 dump pits, a grain receiving capacity of 260,000 bushels per hour, and has 22 million bushels of licensed grain storage. It is important to us that FCE maintains a strong balance sheet for now and into the future.

Jared Peterson from Fafinski, Mark & Johnson of New Ulm was present to go over any further questions about the pro-

posed updated Articles and Bylaws. The vote passed to update the Articles & Bylaws by 271 to 30, a 90+% affirmative vote total.

A significant event that will take place later this Summer is that Granite Falls Energy will be buying their own corn. FCE and GFE agreed to a 12-year procurement contract while GFE was being built. This original contract ends in 2017. GFE would like to procure their own corn so they let us know that they would not be renewing the contract. We believe that FCE is positioned correctly with our Market Access and Speed and Space investments to serve you very well. So the plan is that GFE will start buying their own corn September 1st and forward. Feel free to give me a call or call any one of the Directors if you have any questions or com-

SCOTT - CONTINUED ON PAGE 2



Photo by Caitlyn Mahlum

FCE Board of Directors

Pictured above are the FCE Board of Directors. Front row (L-to-R): Adam Gorecki, Taunton; Steve Doom, Cottonwood; Tim Gossen, Minneota; and Alan Enevoldsen (Secretary/Treasurer), Montevideo. Back row: Dan Stevens, Hanley Falls; Mark Vandelanotte (President), Cottonwood; Jon Thostenson (Vice President), Hanley Falls; Todd Lecy, Echo; and Brad Sunderland, Minnesota Falls.

Annual meeting acknowledgments and awards

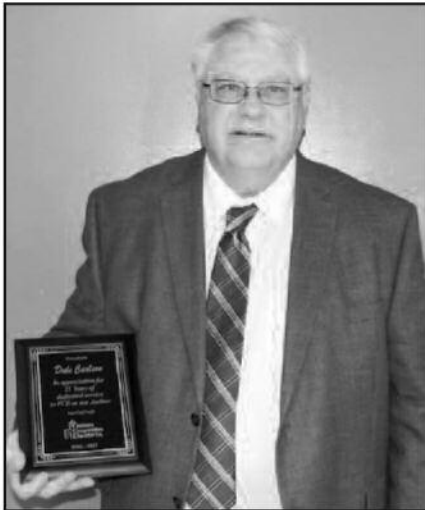


Retiring Director Stan Knutson holds up a watch from FCE



Photos by Caitlyn Mahlum

FCE employees were honored for their years of service. Pictured above (L-to-R): Bill Doyscher, Assistant General Manager (30 years); Connie Melberg, Controller (10 years); Denton Olson, Hanley Falls Terminal (10 years); Brad Bossuyt, Driver (20 years). Not pictured: Scott Dubbelde, General Manager (25 years); Wyatt Brusven, Montevideo Terminal (5 years)



Dale Carlson, of Carlson Highland & Co., LLP was honored for 25 years of service by FCE.



Ann Desmet, Minneota; Anna VanRavenswaay, Montevideo and Christian Kanten, Milan, all received \$500 scholarships from FCE.

SCOTT - Continued from Page 1

ments about this upcoming change.

Don't forget that for many years we have offered Deferred Payment Bonding. Every once in a while we have inquiries about this program and the ability for us to bond your deferred payments. Just give us a call if you have any questions.

Good Lord willing, on April 21st we will have completed 7.5 years of safe operations at FCE with no lost time accidents during this period. We are very proud of

this fact that our Employee Team goes home in the same or better shape than they showed up for work each day. We are very proud of our FCE Employees and I was tickled and proud once again to introduce them on the stage! They are very crucial assets to FCE and big reason why we have had so much success.

Please mark your calendars for our 2017 Pork Chop Suppers. They will be held from July 24th-27th and will be in the same order as the past. Minneota-Cottonwood-Montevideo-Granite Falls.

In conclusion, the Directors gave me a very nice clock for working at FCE for the past 25 years. It is on display in my office if you would like to see it on your next visit. Diane and I are very thankful to the current Board Members, Past Board Members, and especially you our Patron/Owners for creating a great environment for our Cooperative to succeed and thrive the past 25 years. Thanks for all that you do for FCE and thanks for feeding the World!

A successful business takes planning

An old quote says "Many an opportunity is lost because a man is out looking for four-leaf clovers". We should take heed to the wisdom of these words. Businesses need to have forethought and planning, not wishful thinking. Hoping for a great result quite likely results in just the opposite, a not so great result.

However, great results come from forethought, vision, planning, and execution. Farmer's Cooperative Elevator embarked on a substantial expansion in Montevideo. The expansion was the product of all of the above. I would be remiss if I did not say that yes, there was also some luck involved. But it is my belief that good luck has everything to do with putting yourself in the right place at the right time. Putting yourself in the right place at the right time means you anticipated the event happening, and you made sure you were ready

In any of my previous comments, you could insert your name or your operation

instead of FCE. Call it planning, due diligence, forethought, vision or any other name. The process is the same and the results are verifiable. Marketing, planting, harvesting, balance sheet management, and income planning are a must for your operations, and for your cooperative. Do these things, and your likelihood of success becomes greater.

A great example of this is the use of our Averager Contracts in marketing. Producers who use these contracts are taking steps to plan. They plan for logistics, they plan for cash flow, and they plan for balance sheet management. And they are better off because they know that the results will be tangible and verifiable. It may not be the best price that could be had, but it removes the risk, and in turn removes the chance of "unlucky" marketing.

The Board of Directors planned for the future success of FCE. Management and

By
Bill Doyscher
Assistant
Manager



employees worked hard towards that future. And our patrons do the most important parts, for agriculture, your communities, your families, and for making FCE one lucky cooperative.

*** *This information is taken from sources which we believe are reliable, but is not guaranteed. This info is sent to you for information purposes only. There is a risk of loss when trading commodity futures & options, and is not suitable for everyone* ***

From the Tool Box

As the 50 degree days come and go, it is a reminder that change is constant. With that in mind so goes the grain markets, most recently pressured down. How does a producer capture more revenue per bushel than the current market? The answer is: Over The Counter contracts (OTC). On Thursday, March 30, 2017 in the A.M. ----
1) N/C 17 corn is at a .32 premium at \$4.13
2) N/C 18 corn is at a .34 premium at \$4.29
3) N/C 17 soybeans is at a .56 premium at \$10.21
4) N/C 18 soybeans is at a .75 premium at \$10.30. With an OTC you are pric-

ing your grain at a Futures price aka Hedge To Arrive (HTA). There is a standard fee to a HTA contract 5,000 bus. = .05 per bus. / 1,000 bus. = .07. I am always willing to help you, the producer, understand the workings of an OTC. Stop in and ask questions. On another note, an interesting fact – What is the average cost of soybeans production in the United States, Brazil and Argentina? Answer: United States = \$9.07/bushel, Brazil = \$6.55/bushel, Argentina = \$6.15/bushel

The three C's of Farming: "Be

By
Grant Velde
Grain
Originator



Conservative in the good times,
Courageous in the tough times and
Consistent all the time"
Together we are FCE.

2016 a turnaround year at the feed mill

2016 was a restructuring year for the feed mill here at FCE. With the swine industry becoming more integrated, we've had to rely on other species to make our mill profitable.

With that said, 2016 was also a turnaround year for the feed mill with a 20% increase in tonnage. Our beef program has continued to grow and we have gained many new customers by "word of mouth". We have picked up new business because of the expansion on both the beef and swine side. Chickens and goats have

By
Ron Hodges
Feed
Department
Manager



become a more popular species, which helps make an increase in feed sales.

There were not any new building projects for 2016, however, there was much needed work in preparing to implement the

FSMA regulations for this coming year. FCE will be ready for the implementation of these rules. Also, there was a lot of preparation that went into applying the new VFD rules. We feel we had everyone ready and aware of the new regulations; and the transition went rather smoothly.

We, at the FCE feed mill, work every day to become more efficient to be able to deliver a quality product, on time, to meet our patrons' livestock needs. We have a great team working together to help bring in more business and to provide excellent services and products to our patrons.

FCE would like to thank everyone for their business and we will continue to serve you a high quality product with great service!

Check Out Our Website at
www.farmerscoopelevator.com

What should we plant?

Happy Easter everyone! When it is 8 o'clock at night and the robin's are still singing spring is upon us, or is it? There is only One that knows for sure. My wife will attest that the weather has a funny effect on those in the farming sector. Though I do not farm I need to be outdoors. When there are 70 degree days that swing to 20 degree days I get grumpy cause all my plans are altered. My "to-do" list changes priority. Much like me the weather is bound to keep changing and affecting any of us involved with it. And the weather is what all eyes are going to be fixated on for the balance of the Safrani crop, then our crop. March 31st is behind us and the first of the planting intentions reports have been published. Mother USDA is going to continue her guessing and like the weather will change and affect any and all involved. For those of you long corn yet, you need a mediocre spring and a disaster in South America. With the advent of 5, 6, 7 dollar corn everyone that could grow corn is now growing it. 30 miles south of Canada they grew 180 bu corn and 55 bu beans last year and they are going to keep growing it at \$3. Point being the extra revenue generated from this is hard to let go of. I said revenue NOT profit.

By
Ben Hedtke
*Grain
Merchandiser*



Nevertheless I digress. It is very likely should the Safrani crop be average or better N. America could see its best corn basis versus the May futures in the next 45 days. If the Safrani crop is poor summer basis will be a function of the board. Which will likely rally due to any short coming in the Safrani crop. Keep your eyes peeled for -35K basis and a board price at or around 380 May. Seems corn wants to move once road restrictions are lifted! Should be no later than April 17th.

Beans, beans, beans..... About all that can be said. My bias is we grind sideways until some kind of a weather rally. We are sure to kill the crop at least once this summer. P.S. if August brings 6 inches of rain sell another 15 bu/ac of your beans. Basis is going nowhere and this is after 40 days of nothing but red on the screen for May beans. How long will it take for beans to find support? What do I do with my old

beans? Are there any old beans left? (There always is just takes \$). I think new crop basis is friendly. Should we be doing Extended Price contracts on New Beans? I think so! If I were selling old beans I would, at this point, wait until June or July for the summer rally on weather.

Please call if you have suggestions or questions. If you would like to be added to our pre-report and other significant market news notifications please call or email. FCE is also now offering competitive Direct-ship bids to any local market of your choice. See our bid sheet for Marshall, Mankato, Savage and Dawson bids to name a few. FCE will continue our on farm hauling as we add trucks to our fleet for your needs.

Congratulations to you all! It is Spring! Let it come.

Time To Order Your Chicks

We have a large selection.
Regular delivery is every other week on Mondays,
beginning March 20.
Prices vary by breed.
Call Allison or Becky at the Feed Mill in Cottonwood 507-423-6235



**It's A Good Idea
To Take A Good**

LOOK

**At The Grain
Stored On Your Farm
Once A Week**