

HANLEY FALLS • COTTONWOOD

MONTEVIDEO



MINNESOTA FALLS

ECHO • TAUNTON • MINNEOTA

# FARMERS COOPERATIVE ELEVATOR CO.

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Hanley Falls, MN 56245

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Website: [www.farmerscoopelevator.com](http://www.farmerscoopelevator.com)

December 2018

Hanley Falls:  
507-768-3448  
800-626-2510  
Hanley Falls  
South Elevator:  
507-768-3602

Minnesota Falls:  
320-564-3835  
320-765-4100  
320-564-3834

Montevideo:  
320-269-6531

Cottonwood:  
Mill Office:  
507-423-6235  
800-423-6230  
Cottonwood  
Elevator:  
507-423-6489

Echo:  
507-925-4126

Taunton:  
507-872-6161

Minneota:  
507-872-6134

## Merry Christmas

### Cottonwood

Jacob Albee  
Allison Blake  
Gary Enger  
Beth Feller  
Ron Hodges  
Andrew Krause  
Tim Pehrson  
Adam Suckow  
Jeff Tusberg  
pt-Ron Bartels

### Echo

Russ Hennen  
Nathan Reiten

### Minneota

Kevin Johnson  
Richie Sorensen  
pt-Ryan Esping

### Minnesota Falls

John Holien  
Taylor LaVoy  
pt-Brent Hegna

### Hanley Falls

Matt Anderson  
Scott Beukelman  
Brad Bossuyt  
Bill Doyscher  
Scott Dubbelde  
Steve Fry  
Ben Hedtke  
Mike Kontz  
Connie Melberg  
Bob Moore  
Denton Olson  
Keith Rothschadl  
Kristi Selzler  
Levi Shemon  
Fred Stumm  
Grant Velde  
Laura Wentzel  
Laura Wing  
pt-Wes Cole

### Montevideo

Tasha Enevoldsen  
Adam Goschey  
Doug Hagen  
Jeremy Martin  
Cole Massmann  
Peggy Mooney  
Kirby Rengstorf

### Taunton

Dan Grengs  
Dean Lichtsinn

### Directors

President	Mark Vandelanotte
Vice-President	Jon Thostenson
Sec./Treasurer	Al Enevoldsen
Steve Doom	Adam Gorecki
Tim Gossen	Todd Lecy
Dan Stevens	Brad Sunderland

As noted by your address label...  
New hours beginning Jan. 2



### Holiday Closings

All FCE locations will be closing at noon on Dec. 24 and Dec. 31, and Closed Tues., December 25 and Tues., January 1

## Basis improves

Hard to believe 2018 is almost behind us and the decision-making process for 2019 is already in full swing. This harvest may not have been the most ideal as far as weather or yield goes but nonetheless, we persevered through it and it is safe to say the bin doors are shut and equipment is put away.

If you have been watching our bids lately you may have noticed that the corn basis has come screaming in during the recent weeks. With little to no selling going on, processors are short inventory and the rail market remains weak. So, what to do with the full bins you have at home? If you need money but want to retain ownership, try a minimum price contract. You can buy a call currently for between 10-15 cents depending upon the month of your choosing. That

can get you through S. America and U.S. weather. Very similar to the Extended Price contract, you lock in the lowest price possible but leave the topside open for the possibility of higher prices. Not looking to sell immediately? There is about a 27-cent carry to July 2019. This is close to 80% of full carry. Keep an eye on spreads in case they narrow and remember to sell the carry when we have it; come July, prices could be the same as what they are today.

Speaking of carry, are you watching the prices for October 2019? In the last month we have hung around the \$3.45-\$3.50 range, with some offers even hitting for \$3.55. While it may not be exactly as high as one wants it to be, at least it is a starting point. New crop acre projections are already out and with bean acres expected

By  
Laura  
Wentzel  
Grain  
Merchant



to drop dramatically, corn acres are going to increase. With poor exports, good South American weather, more corn acres and no end in sight in regards to the trade war, \$3.50 could be the best sale you have next year. All important things to consider.

As always, thank you for your business & I hope that each and everyone of you have a very Merry Christmas and get to enjoy some time with your family and friends after working your tails off this harvest.

## A long grind for harvest

Merry Christmas, Happy New Year and so much for a fall this 2018. As much of a struggle as this fall has been for harvesting the 2018 crop the silver lining is that these delays had provided some unexpected marketing opportunity. We can all see what the local cash market can do when expectations are not met.

Couple that with there being no bean program to China and railroads begin to "incentivize". Movement via steel wheels rather than rubber wheels keep Berkshire investors investing. Out of respect for time a novel could be written on the prior 2 sentences.

So moving on, all of this is good for the cash trading producer. The conundrums develop for the carry market producer. In weeks the cash carry for corn has been removed leaving those bins plump with questionably justified inventory. Perplexing as it may be the question is asked, do we really need to empty them...already? No, but remind your memory that it might have occurred. That which you were waiting for may have arrived 6 months early, like Christmas in June. This can only lead your thoughts to what will actually happen in 6 months? Stay tuned for when the Crystal Ball becomes more than imaginary.

What we know today is that there are significantly firm values trading for a crop that was nationally one of the larger ones on corn and beans. The financial fortitude and wherewithal of those long cash crops has been underestimated and the end-user has "tipped their hat"

By  
Ben Hedtke  
Grain  
Merchandiser



while still in a harvest that has taken too long but rewarded the delay.

Grant Velde has stopped in and visited with many of you on your farm. If he has not please touch base and set something up. He will be able to help you with your specific needs and give you up to date quotes on off the farm trucking, OTC and premium structures offered at FCE. Please review his article for specifics on politics and USDA data.

Stay tuned for marketing meeting in January. Thank you for your business!



**David Roe**  
Thanks for your loyal  
service to FCE for the  
past 13 years.  
Happy Retirement!

### FCE Marketing Meetings Presented by Advanced Trading, Inc. Tuesday, January 8, 2019

Montevideo American Legion @ 8:00 a.m. – 9:30 a.m.  
613 Legion Dr. - Montevideo, MN 56265  
Granite Falls Kilowatt Community Center @ 10:30 a.m.-12:00 p.m.  
600 Kilowatt Dr. - Granite Falls, MN 56241  
Cottonwood Community Center @ 1:30 p.m. – 3:00 p.m.  
132 West Main St. - Cottonwood, MN 56223  
Minnesota Community Center @ 3:30 p.m. – 5:00 p.m.  
129 E. 1st St. - Minnesota, MN 56264

As noted  
by your  
address  
label...  
New  
hours  
beginning  
Jan. 2

## DEFERRED PAYMENTS

Deferred payments will be ready by 10 a.m. Wednesday, Jan. 2. If you have signed your Deferred Payment Contract we will attempt to get it to the correct FCE location for you to pick up. If unsigned, the payment will be at the Hanley Falls office.

# Lengthy Harvest

It has been a few years since I have been as actively involved in our operations at FCE, especially during harvest, as this year. That's good since it brings me back to the roots of our business and to the beginning of my career in the elevator business.

The length of the harvest this year has its pros and cons from an operations standpoint. The pros include faster turnarounds, shorter lines, better utilization of space, and to some extent better quality crops. We have the ability to manage incoming quality in certain ways that benefit the outgoing quality. The cons include higher costs due to longer hours, colder ambient air temperatures for drying, and to some extent poorer quality crops. Higher moisture soybeans present a unique set of issues all their own.

Better efficiencies can be gained by investments in equipment, people, and by having a steady flow through our plants.

Some of these we can control and some we cannot. We can and will continue to make the investments in equipment. We also hire and train employees to help us be more efficient. We hope that the flow of commodities matches our abilities. This year went well taking into consideration the weather became a factor in the flow of grain from the farm to the field. FCE served our patrons as well as we could have and hopefully exceeded our patron's expectations. Hats off to the employees who make that happen.

Each harvest we try to make the best decisions we can regarding our operations. Hours of operations and use of emergency space to take in the crop are two of the biggest decisions we make on a daily basis. It is our hope that we did well this past harvest and our goal is to always serve our patrons. Communication is the

## Have a storm plan in place

We have been doing our best to continue to buy ingredients at the best price. We continue to see an upward trend in prices for products like DL-Methionine, lysine, tryptophan, threonine, and some vitamins. They will be in a continued upward trend with the threat of the African swine fever in China, the tariffs and several other issues in the world. A good way to describe feed ingredient prices in the near future is definitely uncertainty. With that FCE will continue to buy at the best prices and continue to pass it on to our customers.

We would like to remind all of our patrons of a few weather related items. It is good

to have a "STORM PLAN" in place before we get a storm. To ensure the safety of our drivers and to keep your schedule and our schedule running smoothly, please make sure your ladders and lids are in proper working condition. Snow removal in your yard and around your bins should be done prior to our arrival. Please remember that ordering early will give us sufficient time to work around the winter conditions and make sure you have plenty of ingredients on hand. Make sure your blade/blower is ready to go and easily accessible. Check your water lines and be prepared for frozen lines. Make sure you have extra bedding

## Have offers ready

On November 8th the USDA come out with the November WASDE report. The bullish part of the report was corn being reduced 1.8 bu to 178.9 bpa and beans being reduced 1.0 bu to 52.1 bpa. The bearish part of the report was World Ending Stocks 2018/2019 - wheat up 6.530 mmt for a total of 266.71 mmt - corn up 148.160 mmt for a total of 307.51 mmt - beans up 2.040 mmt for a total of 112.08 mmt. The big increase of corn is thanks to the Chinese readjusting their corn production for the last 3 years 2015, 2016 and 2017 (an increase of almost 150 mmt/nearly doubled world stocks). On November 9th the USDA announced it will readjust China's corn stocks in May 2019. The next WASDE report will be Dec. 11 at 11:00 am.

The meeting between President Trump and Chinese President Xi is nearly upon us. They are scheduled to meet at the G20

summit in Buenos Aires on December 1st. The market is looking for a direction to whether some form of an agreement can be reached. Export sales for 2018/2019 U.S. corn is ahead of pace by 13% from a year ago at 956.8 million bushels. Export sales for 2018/2019 U.S. soybeans is behind of last year's pace by 32% at 831.5 million bushels. Looking forward to 2019/2020 in the U.S. there is some speculation of an increase of 6-7 million Corn acres. Brazil is ahead of normal planting pace in corn and soybeans. AgroConsult estimates Brazil's corn production up to 95 million tons versus 82 million tons last year. Argentina is behind normal November planting pace due to wet weather, with the expectation of the planting pace to pick up the first week of December.

With the information above, I would suggest every producer to have your offers in

By  
**Bill Doyscher**  
*Assistant  
Manager*



key. Asking patrons what they need, and having them ask FCE what we can provide make opportunities for us both to succeed. Thank you for supporting your cooperative in every way.

On behalf of FCE and all of our families, have a Merry Christmas.

Bill Doyscher  
riskmanager@mtvwireless.com

**As noted by your address label...  
New hours beginning Jan. 2**

By  
**Ron Hodges**  
*Feed  
Department  
Manager*



on hand and clean your pens as soon as possible after the storm. Have a storm ration available. Cattle may back off feed and there should be more hay in the ration. Most of all....stay safe!

We wish all of our patrons & their families a safe & happy holiday season!

By  
**Grant Velde**  
*Grain  
Originator*



place and working in the FCE Grain Offer System (GOS). In the GOS, you the producer, can enter in the offer yourself or call the office with the offer. (HTA's please call the office) The 2019 FCE Averager will be available in the near future. Last year's averager: N/C corn finished at \$3.48, N/C soybean finished at \$9.29, O/C corn finished at \$3.43. FCE will be hosting Marketing Meetings the second week of January 2019.

I would like to thank our FCE patrons for their business. Have a Merry Christmas and a Happy New Year's.



# Greetings from the Seed Department

We got through a crazy harvest...we survived potholes, snow and rain. We did not think it was ever going to be over!

Here are some corn hybrids to watch. 4188SS did really well in plots.

3899VT2      4199VT2      4199SS

These hybrids are selling really quickly so order early to get the best seed size.

3499VT3      3795VT2      4188SS

We also have all the other hybrids available. For those who need organic corn we have LG 5499C and 4004 C.

We have a good supply of soybeans...

Liberty Link Beans, LC1200, LC 1550, LC1665, LC2096. We also have a limited supply 6T127 Croplan and Mustang beans...first come first served.

## **RX Beans**

RX1100    RX1300    RX1466    RX1600  
RX1827    RX1960    RX2147    RX2150

## **Round Up 2 beans**

R2C      1572      2050      2200

For those who need wheat please plan ahead so we get it ordered early to make sure we have it on hand. 3419 and new this year 3888

By  
**Steve Fry**  
*Seed Team  
Leader*



Please call 507-768-3602 if you have any questions. Thanks so much for your seed business and have a Merry Christmas and a Happy New Year.

## From the manager... **Tough times don't last, tough people do**

This is a quote from the former SMSU wrestling coaching legend, Mike Sterner. I feel that it describes our farming community, especially you our Patron/Owners, as being just plain tough. I do not need to remind you details of the 2018 growing season, but recognize your perseverance and efforts this past year to grow food for the world that we live in. It hasn't been an easy 2018 and yet you've remained committed to being the best Farmers that you can be.

Our new bin at Taunton and the new piling system at Montevideo helped FCE serve you very well this Harvest. The projects were completed in the nick of time and both worked great. These additions helped FCE keep up transferring grain which



By  
**Scott Dubbelde**

allowed us to serve you better and pile less grain on the ground. We dumped just about the same soybeans as last Fall and about 10% more corn vs. last harvest. I would like to thank our FCE Employee Team for working the long hours for many weeks straight to get you taken care of. They start harvest with the first Patron/Owner in the field and continue straight through to the last one of you harvesting. Their efforts are truly appreciated!

**We are changing our closing time, outside of harvest hours, to 4:30 PM effective January 2nd.** We have a list of reasons as to why we are making this change with the main one being to improve efficiency. Each year we must "do more

with less" to stay even. All of our FCE Locations are open through lunch time so we are still open for nine hours each week-day. If you have any comments or questions feel free to contact a Board Member or myself.

A number of you use Extended Price Contracts and Minimum Price Contracts with FCE. These contracts make great sense as alternatives to storing your grain as part of your overall grain marketing strategies. And both contracts let you take some money to the bank. Remember that it is your responsibility to sell or execute the second part of these contracts when you see fit. If you have any questions please contact the FCE Office to visit with a member of our Grain Marketing Team.

During the Christmas Season we are reminded of the many blessings that we have, and especially the gift of the birth of our Lord and Savior Jesus Christ. From all of us at FCE we wish you a Blessed Christmas Season and a Happy New Year.



**Notice of  
New Hours**  
Effective Wed., Jan. 2  
all FCE locations will  
close at 4:30 p.m.  
Reg. hours will be  
Mon. - Fri.  
7:30 a.m.-4:30 p.m.

Temp-Return Service Requested

**Farmers Cooperative  
Elevator Company**  
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Hanley Falls, MN 56245