

HANLEY FALLS • COTTONWOOD

MONTEVIDEO



MINNESOTA FALLS

ECHO • TAUNTON • MINNEOTA

# FARMERS COOPERATIVE ELEVATOR CO.

1972 510th Street  
Hanley Falls, MN 56245

E-Mail: [fce@mvtvwireless.com](mailto:fce@mvtvwireless.com)  
Website: [www.farmerscoopelevator.com](http://www.farmerscoopelevator.com)

December 2017

**Hanley Falls:**  
507-768-3448  
800-626-2510  
**Hanley Falls South Elevator:**  
507-768-3602  
**Hanley Falls Uptown Elevator:**  
507-768-3484

**Minnesota Falls:**  
320-564-3835  
320-626-4100  
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  
pt-Merlin Hennen

## Hanley Falls

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

## Minnesota Falls

John Holien  
Taylor LaVoy  
pt-Brent Hegna

## Montevideo

Bruce Bowman  
Wyatt Brusven  
Tasha Enevoldsen  
Adam Goschey  
Jacob Guertin  
Jeremy Martin  
David Roe

## Taunton

Dan Grengs  
Dean Lichtsinn  
pt-Jim Fink

## Minneota

Kevin Johnson  
Richie Sorensen  
pt-Ryan Esping

## Directors

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

## Holiday Closings

All FCE locations will be closed  
Mon., December 25th  
and  
Mon., January 1st.



## Meet the new grain merchant, Laura Wentzel

Hello all!

For those of you who haven't met me yet, I'm the new Grain Merchant, Laura Wentzel. I grew up on a farm near Murdock, Minnesota where my family grows corn, beans and wheat. I attended South Dakota State University and after graduation I worked at Cargill in Grain Origination. At the end of September, I decided to make a change and was hired on as a FCE's second grain merchant. There have been many changes I've noticed coming from a large company to a cooperative, however one thing that has not changed are the markets.

It seems lately that word can make a person shudder. What's going on in the markets today? What should I be doing with my beans? What about my corn? I encourage you to think big picture. Let's face it, there is too much supply of both corn and beans in this world. Supply is outpacing demand, as demand only increases by approximately 4% every year. We have become experts at raising crops, and are already forecasted

By  
Laura  
Wentzel  
*Grain  
Merchant*



for a trend yield of 172 bpa in 2018 and corn stocks are at a 30-year high. So, at this point, what is going to move the markets? As Grant mentioned in his article, Argentina is lagging in total rainfall, and the Safrinha (Brazil second crop) will be reduced due to delayed planting. This is good news for us as South America is usually the first choice for exports because of their cheaper commodity.

La Nina is on the horizon and a polar vortex is in the forecast. This winter, colder temperatures are in store along with heavier snow falls. This isn't concerning now, however the outlook for next spring includes a wet April, very wet May and very

dry in June. Sounds like a potential planting delay in the US to me, along with some volatile markets.

Last but not least we have the fund movements. Watch for factors that will impact the flow of money such as La Nina, the Chinese Economy, cheap currencies, regulatory reform and geopolitics. Currently the funds are short in corn and have started to buy back positions in beans. Not to mention the funds love soybeans because of volatility and the ability to make the market move.

My suggestion would be to figure out your break-even, have target prices in mind and put in offers at profitable levels for the upcoming months. It's also not too early to start thinking about 2018 or 2019 production.

I am looking forward to working for you, and if you are in the office stop by and say Hi! Have a Merry Christmas and blessed New Year!

## Ground piles should be cleaned up by the end of year

Merry Christmas everyone! I believe it is safe to say that Harvest 2017 is behind us from a production and operations perspective. Not so long ago I wondered if it was ever going to end. Thankfully, we were blessed with some pleasant late November weather to finish strong. As expected your coop wiggled and squirmed to dump your bushels, a good problem to have for all of us. Every year we seek to provide service and market access to our member/owners. Next year will be better. Your Coop starts harvest with the first producer harvesting and finishes with the last producer harvesting. Today, we continue to chip away at blue sky ground piles, shipping trains and trucks and anticipate having all these piles cleaned up by December 31st while giving up some marketing opportunities. However, with poor prices prevailing it is our opinion that shipping good quality corn at poor prices is better for our patrons than waiting too long and shipping poor quality corn at poor prices. Thank you for your business. FCE is your grain coop, that needs to be clear to our member/owners.

By  
Ben Hedtke  
*Grain  
Merchandiser*



"FCE is your grain coop", this means more than, it is a coop and you own it. It means FCE is your access to virtually all markets for your production. Your coop has managed to diversify but in a very unique and different way than the traditionalist. Your coop now, INDEPENDENTLY provides to its member/owners full access to the River markets, PNW markets, Mexico, Hereford, Chicago-and-beyond and of course the local domestic markets through our direct ship program. I may be more thrilled than most about this but this kind of freedom in the grain elevator industry is exhilarating.

Now what is with these prices? No one, anywhere, at all, absolutely not, without a doubt has enough corn or beans sold today. Understandably so, with the weath-

er we had last summer who would have guessed the crop like it is. Enough hind sight, argh. Looking ahead today beans are trading 10.33 in the July 2018 Futures. I think this is a pricing opportunity for those long beans and are comfortable to carry. July 2018 corn Futures is a bit different. Trading near the lower end of the 30% percentile the lows are soon to be seen we just need to find a way to make it to July today. Sell beans, carry corn? Seems simple but simple can't work, can it? If your crop is in the elevator raking up storage please sell it and re-own paper. If you like to use HTA's ask yourself, if I set futures with an end-user, corn or beans will they let me price basis at a time and place that enhances value to my farm? FCE will, and we will do it at low or no cost with any of our marketing tools.

Your coop aims high to bring its member owners value. Your coop only exists if you do. Again, many thanks for your business and for making FCE what it is today.

# DEFERRED PAYMENTS

Deferred payments will be ready by 10 a.m. Tuesday, 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.

# Wrapping up year-end details

Happy Holidays to all! Please keep your loved ones close and I hope you get to spend this special time of year rejoicing with them.

In the business world most everyone is wrapping up year-end details. Remember to let us know if you are taking income or deferring. Also, remember to sign and return your Deferred Payment Contracts. Checks for unsigned contracts will not be mailed or distributed until a signed contract is returned. Check with us at Hanley Falls if you are not sure of your status.

In timing with the end of the year comes a very important decision for you and your family. Since the inception of the Affordable Care Act in 2009, we have seen the cost of health insurance for individuals and families take huge increases. Prior to that, FCE had offered our members the ability to join a group policy. With the onset of ACA, that group was forced to disband. We are now actively promoting the opportunity for our members to once again join a Group Health Policy. Land 'O' Lakes, in response to legislation passed in February of 2017, has sponsored a MN Coop Group Health

Benefits Plan. Since FCE is a member of Land 'O' Lakes, we can in turn offer this benefit to our members. We are seeing excellent response and participation and recently learned that the enrollment date has been extended to December 29, 2017. If you have questions, call us in Hanley Falls.

These types of services and benefits adhere to our mission statement. It says, "To provide a variety of products and services to its members that will improve their profitability and result in Farmers Co-operative Elevator Company be a profitable, financially sound company."

These types of unique services, along with others such as our Risk Management Group, Full Service Brokerage, Direct Ship

By  
**Bill Doyscher**  
*Assistant  
Manager*



Program, and a multitude of grain marketing contracts has FCE on a "mission" to be your cooperative of choice.

I wish all our patrons and their families a very Merry Christmas and a Happy New Year!

Bill Doyscher  
riskmanager@mvtwireless.com

## **FCE Marketing Meetings Presented by CHS and INTL FCStone Thurs., Jan. 25, 2018**

**Minneota:** 8:00-9:30 a.m. Community Center  
**Echo:** 10:30 a.m. - 12:00 p.m. Community Center  
**Granite Falls:** 1:30 - 3:00 p.m. Kilowatt Community Center  
**Montevideo:** 3:30 - 5:00 p.m. Pizza Ranch

# Feed business continues to grow

Over the past year, we have continued to grow our feed business and have added a utility person to the feed mill staff. Please help us welcome Andrew Krause to the FCE feed team. His duties will include feed delivery and feed production.

We have seen some increases in our vitamins and in distiller's prices this last month. These increases in vitamins are due to a fire at the plant that makes most of the vitamins for the world. This will be a growing problem as they become more and more unavailable driving the prices even higher. Forecasters are predicting that the world production problems may not be corrected until March or later in 2018. We will

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



be working with our nutritionist to give you the best rations at a reasonable price. Distiller's prices are being driven up by demand with China lifting its ban on distillers and processors getting better pricing when selling on the rail and shipping out vs loading trucks. We would hope to see the prices start to come back down in the next

few weeks as the processors start to rebuild their inventory.

After a long warm wet fall, winter is finally upon us. With that in mind we would like to remind all of our patrons of a few weather related items. 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. We wish all of our patrons & their families a safe & happy holiday season!

# Keep an eye on Argentina's drought

In the markets, the big story currently is Argentina's dryness/drought. In Northern Argentina, they have 45% of the Soybeans planted and 40/45% of the Corn planted which is slightly behind the three year average, all being held up by the lack of rain / halted planting. From October 1st to December 4th Northern Argentina is 75% behind normal rainfall. The Argentine Central/Southern regions are at the beginning stages of a drought. The forecast for

By  
**Grant Velde**  
*Grain  
Originator*



the next few weeks are "worrisome" for rain amounts are far less than what the ground needs to replenish subsoil moisture. Keep

an eye on this story.

FCE provides you the patron/owner with various marketing choices from Value Added Contracts to Direct Ship Bids, HTA's with a choice of locations to set basis and don't forget our On-Farm Pick-up service.

I would like to thank all of the patron/owners of FCE for their business in 2017 and look forward to working with you in 2018.

Have a Merry Christmas and a Happy New Year.

# Happy Holidays from the Seed Department

Make sure you order early for 2018

We all got through a great and wonderful harvest. It was also a safe one. Yields were good with corn...a little less for soybeans.

Some good numbers are as follows:

Corn		
3899VT2	4099SS	419955
4079SS (new)	4488SS	3900SS
3705SS	3611SS	3499VT3
3399SS		

Soybeans

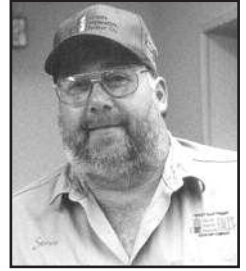
Liberty	RX	R2C	
LC1200	1187	1400	1950
LC1665	1827	1572	2200
LC2096	2147	1760	

We also have LG and Mustang corn and soybeans. This year we will have 3419 Croplan wheat available.

If you have any questions or concerns call Steve at 507-768-3602.

Thank you for your seed business and I wish you and your family a wonderful holiday season.

By  
Steve Fry  
Seed Team  
Leader



From the manager...

## A bountiful harvest

The 2017 Harvest season is in the books for you our Patron/Owners. This season stretches out for our Employee Team as they are busy picking up our 1.4 M bushels of corn on open piles. The weather has cooperated nicely so far with little snow or rain. We have 5 M bushels of tarped corn and 1.2 M bushels of tarped soybeans that we plan to have picked up by late Spring. Thanks for your patronage and patience as we slugged through this Harvest together.

As Bill reported to you, the Land O' Lakes MN Co-op Health Plan enrollment deadline has been extended to December 29th. Please don't wait until the last minute to sign up...no matter what plan you are



By  
Scott Dubbelde

going with. We applaud LOL and the 40 Square folks for giving you additional health insurance alternatives along with MN Sure.

Bill reminds us of our Mission in his article. I would like to highlight our Vision portion from this same FCE Mission Statement:

**"The Farmers Cooperative Elevator Company will be a member-owned and controlled, diversified agricultural service company that anticipates changes in agriculture and the resulting needs of its members. It will be recognized by its**

**members, competitors, employees, and vendors, and by the communities in which it is located as an innovative leader."**

In the past few years there has been a lot of growth and expansion by you our Patron/Owners in your own operations. And during the same time there has been a lot of cooperative consolidations happening near us and throughout the Upper Midwest. FCE will follow our Mission Statement and continue to explore growth and innovation with your best interest in mind.

Please mark your 2018 calendars for our upcoming Marketing Meetings on January 25th, our Annual Meeting on March 16th, and our Customer Appreciation Pork Chop Suppers from July 30th-August 2nd.

From all of us at FCE, we hope that you and your loved ones have a very Merry Christmas and a Happy New Year.

FARMERS COOPERATIVE - PAGE 4



Temp-Return Service Requested

Farmers Cooperative  
Elevator Company  
1972 510th Street  
Hanley Falls, MN 56245