

FARMERS COOPERATIVE ELEVATOR CO.

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July 2019

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Elevator:
507-423-6489

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From the manager...

Let's Persevere Together



By Scott Dubbelde

I looked at the title of my July 2018 newsletter article and it was entitled: Our weather isn't always MN Nice. 2019 has been a year thus far that makes 2018 look very MN Nice. Hopefully this is a year for the record books not to be repeated anytime soon.

An integral and necessary part of the grain business is piled grain at Harvest time. The Hanley Falls soybean bunker and the Montevideo corn bunker had more spoilage than we'd have liked. In fact our plan was to have them picked up before the warm weather set in. Unprecedented Spring snow and ice, Spring power outages, tariffs in place that kiboshed PNW exports, and record flooding of the Mississippi River which stopped barge movements all contributed to us getting these two bunkers picked up later than we had initially planned. When you do the math however, the shrink was a fraction of a percent of the total grain stored in the bunkers. We are all ready for more normal weather and more normal market outlets.

We've had some Employee Team changes this Summer. Fred Stumm retired and his replacement is Kevin VanBronkhorst. Grant Velde left FCE to manage the Consumers Coop Oil Co. of Clarkfield and we hired Mike Busack to be our new grain originator. Ron Hodges moved back to Nebraska and we are currently searching for his replacement. Bill Doyscher is taking care of our Cottonwood Feed Mill until a new hire starts. Todd Herman left FCE and so we have an open-

Annual Customer Appreciation Pork Chop Feeds

Monday, July 29

at the Sportsmen's Club in Minneota

Tuesday, July 30

at Cottonwood Community Center

4:30 to 7:30 p.m. each day

Patrons and families are invited to attend one of these events.

Wednes

Montevide

Thurs

Wednesday, July 31

at the Montevideo Community Center

Thursday, Aug. 1

at Granite Falls Memorial Park

ing in the Hanley Falls Office. We are very lucky to have such a dedicated and hardworking FCE Employee Team.

Up to now there has been a lot of talk that the USDA will be sending out money to help the farming community with the weather and market challenges. My opinion is simple, send the dollars and lots of them. Our US Farmers feed our own country and a big share of the World and deserve to be paid and deserve to stay in business. All of the lives in the World depend on you. And our local economy and communities are driven by you having

SCOTT - CONTINUED ON PAGE 2

Who draws first?

I remember watching old John Wayne movies when I was a kid. My brothers and I were always so thrilled when the good guy won. And John Wayne always won. Like any good old western there was always a showdown. The part leading up to a climax where we see who draws first. The entire movie builds up to this moment where two grizzly faced leathered men grip their hog legs, white knuckled, blood shot eyes gritting their teeth pacing off until one flinches. This feels about where we are heading in the corn market. Farmer on one side, speculation and funds money on the other. Both sides waiting to see who flinches. Personally, I wouldn't bet against the U.S. Farmer. Plopped down between the farmer

and Spec/Fund money sit the cash markets, the infamous "basis". Having witnessed what has happened in such a short while I would say the farmer has already outsmarted the rest of the markets.

This spring has thrown us all for a loop regardless of the field of work we are in. I suppose we can argue that we will test the genetics of seed corn on the wet end of the spectrum, but that assumes the seed is in the ground. Frankly, cash markets probably couldn't do anything to pry corn from the producer until we see the next report and either confirm or conflict the June 28th report. It's a waiting game, a stand-off until there is increased confidence in the crop currently growing old and new corn won't

By Ben Hedtke *Grain Merchandiser*



move. We know because we try. The showdown drags on.....

Pretty quiet on the soybean front. A different kind of showdown here. Tariffs and politics, yuck. Planted acres on target here also should tighten 19/20 carryout to an uncomfortable level. So keep carrying them if you have them. Will see what August brings for pod filling.

Prevent Plant Options for Livestock Producers

There has been much confusion and rule changes with "Prevent Plant" this season. Up until June 20th, there were not a lot of options for livestock producers. Since then, the rules have changed and producers can plant and harvest as of Sept. 1st. So, the question is.....what do we plant? There are many options, but our general recommendation is to plant sudan grass or sorghum-sudan for silage, or oats for oat hay or oatlage.

Something to keep in mind if planting sudan grass or sorghum-sudan Be aware of prussic acid problems if not ensiled at the proper moisture and post frost. The

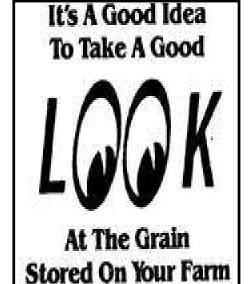
By Beth Feller Sales Specialist



moisture content should be around 70% or less for good preservation. Prussic acid is dissipated during wilting and partially during the ensiling process.

We would encourage our cattle producers whom did "Prevent Plant" and already has adequate forage to consider planting in their "Prevent Plant" acres....stockpiling forage and using more forage (depending on the corn price this fall). Consider more distillers and higher forage amounts (slows growth BUT the price of sorghum in our diets will be lower). Generally, forage sorghum silage has 75 to 85% the energy value of corn silage per unit of dry matter.

Make sure you check on the latest changes and understand the rules as they have changed over the last few weeks. If you have any questions, please call Beth or Bill at the feed mill.



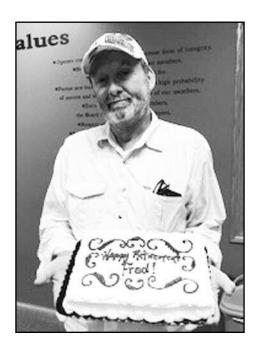
Once A Week

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money to spend. I hope that our Federal Government decides to do the right thing and sends the checks sooner than later.

FCE made commitments early to procure Oats and various other cover crop seeds for you to use on your Prevent Plant acres. We stuck our neck out for you, our Patron/Owners, to ensure that you had available what you needed. We still have some fanned oats on hand if the need arises.

Let's try to persevere together and take things one day at a time and try to concentrate on the blessings in our lives. I hope to see you at one of our Customer Appreciation Pork Chop Suppers later this month.



Fred Stumm, from Ghent celebrated his retirement.

LOL Member Health plan is a great benefit

The Land O' Lakes Member Health Plan is gearing up for another year. I thought this would be a good opportunity to refresh our memories on this great benefit.

Patrons of FCE can join the LOL Member Health Plan and chose from several different levels of coverage to suit their needs. In order to be an active member of FCE, you must meet the minimum requirements for patronage based business (\$10,000) and reside in the trade territory. Remember, spouses are not automatically members. They must do their own business with FCE to qualify as active members. To meet the membership requirements for the Member Health Plan, you must also reside in Minnesota. If you meet these requirements you are eligible to apply for coverage. It is also important to point out that coverage is based on a calendar year. To remain eligible, you must continue to be an active patron of FCE.

Coverage is available for individuals, individual plus one (usually a spouse or dependent child) or family. Rates are based on the type of plan and coverage option chosen. Generally rates are determined in late fall or early winter. Rates can change, and eligible patrons should stay in touch

with Gravie at gravie.com/coop or 844.538.4690 to stay current.

FCE patrons have utilized this benefit for the past three years. It has helped many bridge a gap in transitioning from off farm employment or into Medicare coverage. FCE continues to see this as an extension of the coop system. We hope you see the value it offers and the return to your respective operations that it was created for

This newsletters feed column is written by Beth Feller, our Sales Specialist. Check it out for tips on summer feeding. By Bill Doyscher *Assistant Manager*



Pork Chop Feeds are the last week of this month, I hope to see you all there!

Bill Doyscher riskmanager@mvtvwireless.com

FCE Marketing Meetings Tues., July 23, 2019

Presented by CHS Hedging

Montevideo American Legion - 8:00 - 9:30 am
Granite Falls American Legion - 10:00 - 11:30 am
Cottonwood Community Center - 1:00 - 2:30 pm
Minneota Community Center - 3:30 - 5:00 pm

Weather brings new market highs

In our last newsletter from April I started with market surprises due to the USDA Planting Intentions Report. It would appear that I can begin this newsletter with the same thoughts- How about that Stocks & Acreage Report on June 28th? Surprise might be an understatement for some people. If one thought that 92.79 million acres of corn was a lot in March, then the 91.7 million acres they came out with might make one take their high blood pressure medicine.

As frustrating as it can be, it is important to remember acreage was submitted in the first part of June, when farmers intended to plant their corn, and maybe even switch some of their bean acres into corn. Then the rain continued to fall and before you knew it June was about done and only some of that corn (and beans) got in the ground. For this reason, the USDA is going to do a resurvey in July throughout 14 states. They are also going to review the results with the FSA certified acres. If changes are made, we will get those numbers on the August 12th Crop Production report.

A lot has happened since that report. The

nearby market has traded over a dollar range and now farmers across the entire U.S. are hanging onto their corn for dear life. What is basis going to do? Are we going to see \$6.00 corn? What if there are 10 million acres of prevent plant corn? There is a bull and bear story for everything and the only advice I can give is to not put all of your eggs in one basket. A lot of time is left between now and harvest-pollination, potential early frost, yields on corn that was planted June 20th etc. Don't count on the market giving us \$6.00 corn, but also don't dump it all when the market is down 20 cents in one day because you get anxious. Reward the market when you think it makes the most sense for your bottom line. For some, that was 50 cents ago-have you sold since then?

You'll also notice that basis has narrowed a lot since the last newsletter. One can thank a short crop and bull horns for that. Farmers across the country feel no pressure to move corn and end users are having to pay up, and in some places a big way. Some processors in the East have shut down or gone to half grind because of the lack of corn coming in. Others are pay-

By Laura Ruble *Grain Merchant*



ing 80-90 over to trigger farmers to sell. This may continue as long as farmer movement stays at a slow pace.

The Averager finished up on July 3rd. After a successful first sign up and due to a few people wanting to jump on the train after the deadline, we decided to run a second one from the end of April through July 3rd. From the lowest pricing day to the highest on old crop corn there was a \$1.06 swing. The volatility over last year is just incredible. Both of these did very well and we're looking forward to having another signup (or two?) for next year.

Hope to see you all at our Marketing Meetings on July 23rd!

New job, new opportunities

It brings me joy to start writing my first newsletter article as the new Grain Originator with FCE. For me, FCE has always been a part of my life. Growing up on a farm east of Echo, I remember my first days working alongside my father who had been a long-time patron of FCE. Some of my earliest memories in agriculture was hauling our crops to Echo with my Dad. It was always exciting to listen to the producers in the area talk about the growing season, the challenges they pursued, successes they achieved, what worked well and what did not. Being a young buck, I admired the passion and love the producers possessed, as well as the resilience and support they gave each other, knowing they were all in it together. To this day those values still hold true. It gives me great pleasure to have seized the opportunity to get back to my roots and be employed by a great company that allows me to work with the same producers I grew up to admire.

For those who may not be familiar, my name is Mike Busack and as I mentioned before, I grew up on a farm east of Echo where we produced corn and soybeans. In my early years I was raised as a true competitor. My father instilled it into my brain that nothing worth having comes easy, and the only way to get what you wanted is to go out and get it. I carried this with me through my childhood and started getting involved in sports and any other activity I

By Mike Busack *Grain Originator*



could join that would allow me to compete. I went through the Redwood Valley school system where I participated in football, basketball, baseball, and FFA. From there, I went on to continue my studies and basketball career at Minnesota State University. After graduating from MSU with a bachelor's degree of science in Economics, Marketing, and Communication Studies, I chose to pursue my last year of basketball eligibility at Augustana University in Sioux Falls where I completed a year of graduate studies. Thereafter, I went on to work for a couple different farmers, then took a job in NW lowa at a large coop as their Grain Originator. I worked there for a while before getting the opportunity to come back closer to home as I became employed through FCE.

There are many reasons I enjoy being a Grain Originator. For me, building relationships with our patrons and finding ways to maximize their operation's profitability and efficiency through utilizing various marketing strategies and tools is what I enjoy most. I also enjoy learning about each producer and the way their operation func-

tions. No operation is exactly the same, so it's critical to develop and tailor a plan that fits the needs of each separate producer. This allows the opportunity for me to integrate my persistent and competitive nature alongside my passion for agriculture to seek what is best for each unique operation.

With that being said, I am very eager to get to know all of you that do business with us, as well as those who may be interested in starting to do business with us. I want to reiterate the fact that this company is owned by you, the patrons, so it is only right to have support when it comes to marketing strategies and decisions. It is my primary responsibility to assist and support our patrons by providing marketing tools, insights, and knowledge. I understand this year is unlike any other, so during this time it is crucial to keep up to date on market information and the tools available to you so you can make the best decisions possible for your operation. I am gladly willing to meet with you to find ways to take advantage of these opportunities. I am officed out of Hanley Falls, but spend a large majority of my time in the countryside working and communicating with producers, finding ways to bring value to their operations. So please, feel free to stop in and get acquainted or call in to set up a visit to your farm. I look forward to meeting all of you and am excited to be a part of your member-owned Farmers Cooperative Elevator.

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Temp-Return Service Requested

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