


<div style="display: flex; justify-content: space-between;"> <div> <p>HANLEY FALLS • COTTONWOOD</p> <p>MONTEVIDEO</p> <p>ECHO • TAUNTON • MINNEOTA</p> </div> <div style="text-align: center;">  <p>Farmers Cooperative</p> </div> <div> <p>MINNESOTA FALLS</p> </div> </div>	<h2 style="text-align: center;">FARMERS COOPERATIVE ELEVATOR CO.</h2> <p style="text-align: center;">1972 510th Street Hanley Falls, MN 56245</p> <p style="text-align: center;">E-Mail: fce@mvtvwireless.com Website: www.farmerscoopelevator.com</p>	<p>Hanley Falls: 507-768-3448 800-626-2510 Hanley Falls South Elevator: 507-768-3602</p>	<p>Cottonwood: Mill Office: 507-423-6235 800-423-6230 Cottonwood Elevator: 507-423-6489</p>
		<p>Minnesota Falls: 320-564-3835 320-765-4100</p>	<p>Echo: 507-925-4126</p>

June 2020

From the manager... Thanks for feeding the world

Whew. A lot has happened in this country since we postponed our FCE Annual Meeting that was to be held on March 13th. The Covid-19 virus has dominated our news until the rioting, etc. started. Hopefully the rioting is done and Covid-19 is on the downhill slide?



By
Scott Dubbelde

To minimize risk and maximize safety for our Employees and Patron/Owners we will continue the policy of essential visits only at all FCE Locations. Our goal is to follow the proper procedures to eliminate or at least minimize any interruptions in service to you. We will do everything in our power to accomplish this. Keeping the essential visit only policy in place takes away one of my personal favorite things to do...socialize and visit with you our Patron/Owners and business associates in person. We just need to spend more time with phone conversations for the time being.

The Board and Management is also cancelling the 2020 Customer Appreciation Pork Chop Suppers. These are valuable social events where we get to visit with all of you and you get to socialize with your neighbors. If you factor in the lack of fellowship, socialization and safety, it made the most sense to cancel for 2020. We also had another St. Paul Saints bus trip scheduled for this year and the Saints management postponed it until 2021 for the same aforementioned reasons.

We are not sure at this time when we will be able to hold an Annual Meeting. The safety of all is our #1 priority. If you would like a 2019 FCE Audit let us know and we will mail one to you. Like we reported to you in March,

SCOTT - CONTINUED ON PAGE 4

2020 scholarship winners



Tyler Dejong
from Montevideo. Tyler attended Montevideo High School and is the son of Troy and Angie Dejong.

Alex Formo
from Maynard. Alex attended Yellow Medicine East High School and is the son of Wayne and Lori Formo.



Sidney Geistfeld
from Wood Lake. Sidney attended Lakeview High School and is the daughter of Bob and Paula Geistfeld.

Mental capacity

In April 2019 when I was pumping water out of my basement at home FCE's grain team was suspicious that the 2019 crop might not get planted at an average pace. By May 2019 these suspicions proved real. By Mid-June we started hearing about Prevent Plant acre totals. In Minnesota many of the highest PP acre counties resided in or near your coops trade area. It was clear at this point that marketing grain at FCE would be very different in 2020. By Mid-October the quality issues of high moisture late maturing crops added yet another wrinkle in marketing grain at FCE. Then with little surprise harvest dragged out, most of the crop was harvested wet and some never got harvested. Like you our patron/owner, through all these challenges, your coop made plans to succeed. And succeed we did. Your coop is well established in its infrastructure for speed and space. But more importantly your coop is made up of well-established intelligent employees and patrons. Let me explain further. There is lots of talk about speed, space, and capacity in the grain business when it comes to the steel and mortar yet

this also applies to more than just the facilities that make up FCE. It also pertains to the people that own and run your coop. Which brings me to a list of 18 grain trading rules called "Gartman's Rules of Trading 2016". I suggest you google them. #3 in this list is, "Mental capital trumps real capital". You can have the latest and the greatest real capital like a tractor or planter or combine but if one lacks the mental capital the real capital is not maximized in its efficiencies. Alternatively, a strong mix of real capital with mental capital bring infinite capabilities and success. This mix of real and mental capital is why your coop was able to grow its market share in 2019 even with the poor crop and challenging markets. This mix of mental and real capital is why your coops grain handle, though lower, was better than industry standards. This mix of real and mental capital is why your coop maintained its history in profitability.

This mix of capital is how your coop will continue to grow soundly, steadily, and consistently for many years to come. And this is something I am proud of and something the patron/owner's of FCE should be

By
Ben Hedtke
*Grain
Merchandiser*



bragging about.

It is June 15th as I type this article. Your coops 4 million bushels of bunker corn has been reclaimed successfully yet again. The bean bunker in Montevideo was gone in a flash. Every kernel that went down on the ground in the fall of 2019 has been picked up and shipped via truck and rail. Your coop anticipates an average crop for 2020 and has been preparing for that since Jan 1, 2020.

Looking ahead to what is left of 2020 your coop will again plan to succeed by maximizing Gartmans rule #3. Thank you for your continued mental capacity and patronage.

Summer markets

Let's be honest, there are plenty of reasons to be doom and gloom. Is there a lot of fresh news coming into the market? Not so much. But, in my opinion we have many blessings to be thankful for. First and foremost, spring planting & weather. The great thing about farming is that every year we get a clean slate and what a difference 2020 has been compared to 2019. The crops are growing full speed ahead and we are getting (for the most part) timely rains and warm temps to help that. What's the old saying, plant in the dust, bins will bust?

So, what to watch for over the course of summer in regards to the crop you still have in the bin and the crop in the ground? June 30th is the annual Stocks and Planted Acreage Report. March projections showed 97 million acres of corn and 83.5 million of soybeans. That could mean a 7.953 billion bushel and 2.253 billion bushel carryout respectively. The report is either going to confirm this or maybe show that the USDA was off their rocker when they came with robust numbers. We should start seeing report estimates the week of June 22nd. On top of this the USDA publishes weekly Crop Progress reports that come every Monday afternoon. The U.S. is right on track with total corn and bean acres planted; there's no reason to raise concerns as of right now.

Bean and corn basis has remained firm at a time when futures have not been as favorable. Our exports have been strong as

China has been buying new and old crop soybeans and Japan is buying our corn. Ethanol production is coming back on as we are seeing increased grind week over week as well as firmer margins. It's unlikely that we will see as strong as grind as 2019, however at least we are getting somewhat back to normal as the country starts to move again.

Last but not least, let's not forget about December 21 futures. I know I say this a lot but it's never too early to plan ahead. Should we get a rally this summer, selling a HTA or cash is a good place to start. If one sold during the highs last summer, he/she could have gotten nearly a dollar better for CZ21 futures than where we are today. History also shows that the highs for the next crop year come during the summer prior to it so it is definitely worth your time to plan for selling some December 21 corn or November 21 beans.

One way to do this would be to look at OTC contracts such as Price Builder Bonus or Accumulator. Some of you may be familiar with using these marketing tools and have seen the rewards in doing so. December 20 futures are trading in a 3.60-3.70 range and December 21 is bouncing around 4.00. That's nearly 30 cents above where the market is today. If we were given a 30-cent rally, wouldn't you be selling? These contracts are at little to no cost to you and are a good way to get something on the books, especially during a time

By
Laura Ruble
*Grain
Merchant*



where it's a difficult decision to sell cash. As always, don't hesitate to ask questions about any old or new crop options, we're always happy to help. Thank you for your business and may the rest of the growing season bring us a prosperous crop this fall!

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

LOOK

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

Changes

One of the lines in FCE's Vision Statement is "accept change as a normal part of business". To say that this is profound may be the understatement of our times.

This is change. We are change. Our desire to maintain that which we consider "normal" in both our business and personal lives has been drastically modified. We are seeing change happen in months that would typically not happen in years.

FCE participated in a study a few years ago that suggested that our business environment was going to be more and more volatile. Frankly, we are used to volatility in our market place. Futures prices, basis levels, crop sizes, and world events create volatility every day. That study also brought forth the revelation that while volatility is and will always be a risk, the velocity at which the changes happen will accelerate and become a much greater part of our lives. We are witnessing that as we speak. Where we live and work, our business and personal lives are so interwoven that the

effects in one create a reaction in the other. As much as we try to keep that separate, I don't think we can.

All through our changing landscape we continued to work. Did you know that the Agriculture and Food Industry in the United States employs over 23 million workers, pays almost \$800 billion in direct wages, and generates almost \$900 Billion in taxes? Of that number over 12 million are directly in food production and are considered essential. That's us, that's all of us. Farmers, ranchers, produce growers, elevator workers, feed mill employees, processors, packers, warehousemen, distributors, wholesalers and retailers. We stayed at our posts and did what needed to be done. Be proud of who you are and what you do. This is proof positive that the bread basket of the US matters. There is no more relevant cause than feeding a hungry world. Change happens, it is the choice we make with the change that matters, not the change itself.

Our business model remains sound

By
Bill Doyscher
*Assistant
General Manager*



throughout these times. The cooperative way of doing business can and will change, but will also remain a standard and benchmark that other models will look to for guidance.

In 2019 we spoke of being hopeful that 2020 was on the horizon and we could turn the page and start anew. Here we are in 2020 with more tough choices ahead and a longing for another chance at a new start in 2021. I am hopeful that our business and lives have some normalcy. I am also certain that change will affect that wish. FCE is ready to do what we need to and to do it knowing that we are always doing the right thing.

Look for opportunities

Coronavirus, backed up kill capacity, dis-tillers availability, packer gouging.....what next? These are frustrating for livestock producers to say the least! But, there may be some opportunities in feeding cattle right now. Corn is under \$3.00/bushel, hay prices are between \$55 and \$65/ton, ethanol plants are coming back on line and loosening up on pricing, and live cattle prices are starting to bounce back.

Now is a good time to reassess your mineral and protein needs. FCE has a supply of cow minerals and beef balancers designed for the Northern Plains at competitive prices. Dr. Tom Peters has been our consulting nutritionist for the last 9 years, custom formulating supplements and supporting the feed mill and its customers with excellent advice. Please contact Beth Feller or the feed mill with any questions

By
Beth Feller
*Livestock
Specialist*



From the Seed Department

Sure was a great spring. Everything was planted in record time and the crops look really good. Some fields could use a little moisture.

We will have a great supply of beans for next spring.

Soybeans

- 1120E Blend - Good white mold score and IDC
- 1420E Blend - High yields and good white mold
- 1820E Blend - Big upgrade in IDC
- 2120E Blend - Very good IDC and mold

Xtend

- 1100 Blend - Great and IDC and white mold
- 1400 Blend - Better IDC
- 1611 Standalone Variety - Was top in the answer plot in 2019

We will have an entire line up of Xtend to roll once they get approved.

New Corn from Croplan

- 3735SS/VT2P - new 97 day. Shares a parent with 3899VT2P, similar yields and better late season standability as 3899. Great emergence.
- 4188 Conventional, SS or VT2P - launched in 2020 looks great, will be big seller for 2021
- 4265VT2P - new 102 day. Great drought tolerance and stable yields for tougher acres. Strong Goss Wilt and great emergence.
- 4444VT2P - Limited launched in 2020. Hybrid brings great drought tolerance and a flexy ear.

We have a few experimental hybrids in plots we will probably be launching this winter for limited acres.

By
Steve Fry
*Seed Team
Leader*



- EXP 95 day X19095VT2P - looks like a 3499VT2P replacement. Great Early vigor and emergence, top yields
 - Exp 96 day X19096VT2P/SS - new 96 day genetics. High yields, keep on high managed acre.
 - Exp 102 day X18102SS -new 102 day with great drought tolerance. Great emergence and Goss Wilt Tolerance.
- Thank you very much for doing business with your farmer owned Company!

Years of Service Recognition Awards



Taunton Location Manager
Dan Grengs
40 years of service



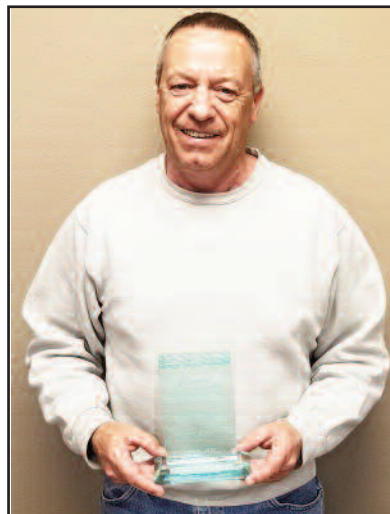
Feed Delivery Driver
Gary Enger
35 years of service



Echo Location Manager
Russ Hennen
15 years of service



Cottonwood
Location
Manager
Tim Pehrson
5 years of
service



Semi Driver
Bob Moore
5 years of
service

SCOTT - Continued from Page 1

we had a local income of \$649,353 and a net margin before taxes of \$1,994,333. A decent year considering all of the 2019 Prevent Planted acres. If you have any questions about the Financial Statements please give myself or a Board Member a call.

I'll give you a short update on a couple of equipment purchases at FCE. In December of last year we had a feed semi totaled in a rollover accident. Our driver only had minor injuries which was good. So we bought a new Freightliner Glider semi tractor and ordered a new Wallinga feed trailer that will be to Cottonwood sometime this Summer. So when the trailer is delivered to us we will have three high flow tractors with three high flow trailers. The high speed unload tractor and trailer pairs are very efficient. We also traded two well used semi tractors for a 2016 Freightliner semi tractor. We are rotating our grain and feed hauling trucks to keep a reliable fleet ready for your grain and feed needs.

We've dedicated a part of this newsletter to honor our 2020 Employee Years of Service Awards and our 2020 Kathy Willson and Joey Fry Memorial Scholarship Winners. Congratulations to all!

In a future newsletter issue we will introduce our new Feed Department Manager Zach Giese. Zach grew up

in Ortonville, MN and we are tickled to have him join our FCE Team! Nathan Reiten is now driving a feed delivery rig based out of Cottonwood instead of working at the Echo Elevator. We are very lucky to have such a valuable and dedicated Employee Team at FCE! We are currently looking for an Assistant Location Manager at Montevideo and an Elevator Operator at Echo. Please let us know if you know of a good candidate.

The State Highway 23 project from Granite Falls to south of Cottonwood seems to be going well. We hope that this is completed before Harvest. It has been like Grand Central Station around here since we rented them our land south of the Hanley Falls Terminal to base their concrete plant. FCE was paid \$20,000 for them to use our property. It sure seems to be working out for the construction crews and they are not in our way at all so far.

So far the crops in our territory look good. But some areas are on the dry side. The crops are not in the bins yet and a lot could happen. Remember that we can't have a good finish without a good start so keep your fingers crossed and say your prayers. We have enclosed an updated magnet with the phone numbers of all FCE locations on it. God Bless America and God Bless you who feed the World!