

HANLEY FALLS • COTTONWOOD

MONTEVIDEO



MINNESOTA FALLS

ECHO • TAUNTON • MINNEOTA

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507-768-3602

Hanley Falls Uptown Elevator:
507-768-3484

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

Montevideo:
320-269-6531

Cottonwood:
Mill Office:
507-423-6235

Cottonwood Elevator:
507-423-6489

Echo:
507-925-4126

Taunton:
507-872-6161

Minneota:
507-872-6134

From the manager... See you at the Annual meeting



By
Scott Dubbelde

When I looked at the title of my newsletter article of one year ago and it was "Thanks for another good year". I would say that this once again describes FCE's fiscal 2017. Each year has some similarities and each has some vast differences, much like your own operation. But all in all FCE had a good 2017.

Hot news in the agricultural world right now is the new Federal tax law that includes IRS section 199A. Our regional cooperatives Land O Lakes, Ag Processing, and CHS Inc., along with Bill and myself, wrote letters to our Congressmen in an attempt to keep the Domestic Production Activities Deduction (DPAD) for you our Patron/Owners. The language that did make the final tax bill that replaced DPAD is very good for producers of ag commodities that sell to cooperatives. There is a frenzied lobbying effort going on to change Section 199A for farmers. This effort is NOT coming from the farming community nor cooperatives at all. Remember, the coop system is in your corner every day of every year even in Washington, DC.

On January 8th we mailed you a letter about a unification study that FCE is participating in. The study is still in the early stages and at this point in time only one decision has been made...to participate in the study like we reported to you in January. Your Board and Management will keep you updated throughout this process in the upcoming months.

I hope to see you on the 16th at your Annual Meeting. Thanks for your business...and Thanks for another good year.

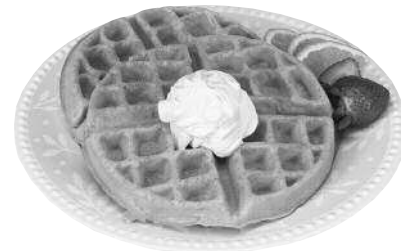
ANNUAL MEETING

Friday, March 16

at the
**LAKEVIEW HIGH SCHOOL
IN COTTONWOOD**

BELGIAN WAFFLES

Served from 4 to 7:00 p.m.



ENTERTAINMENT

Yellow Medicine HS FFA chapter presenting on their past two trips.

6:15 - 7:00

MEETING BEGINS

at 7:30 p.m.

The traditional, delicious Belgian waffles will be served along with all the trimmings from 4 to 7:00 p.m. ALL YOU CAN EAT. Bring your spouse and children. Lakeview High School is located on the north side of Cottonwood, visible from Hwy. 23.

The business meeting begins at 7:30 p.m. We'll review last year's operations at FCE and discuss plans for the current year. We will also be electing three directors to the board. Profiles of the director candidates are inside this newsletter.

DIRECTOR CANDIDATE PROFILES

Hanley Falls Area

Jon Thostenson:

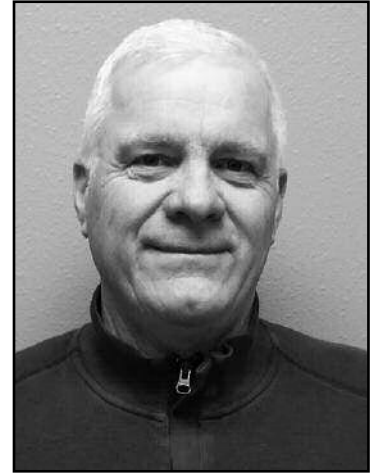
Jon and his wife Terri live south of Hanley Falls. He has been raising corn and soybeans for 31 years and farms with their son Joe, and Jon's brother Mark. He has served on the FCE board for six years. Jon is a member of the American Legion Post 127 in Hanley Falls and the VFW in Granite Falls. He served in the Marine Corps in Operation Desert Storm in 1991. He has been active on his church council. He enjoys photography, hunting, fishing and spending time with his family. He also likes to keep current on Veterans issues. Jon says the he has found his time on the FCE board to be very challenging and rewarding. "I would like to continue to serve to help FCE meet the challenges and the changes that the coming years will bring".



Minneota Area

Tim Gossen:

Tim and his wife Betty live 5 miles northeast of Minneota. They have five adult children: Sharene, 38, Talina, 37, Jerik, 34, Leah, 33, and Chelsea, 31. They also have 13 grandchildren. Tim started farming in 1977 and raises corn and soybeans with his son Jerik, who also has a farrow to finish operation. Tim was first elected to the FCE board in 2012. He is a member of the Minnesota Corn Growers Association and served for many years on the Lyon County Farm Service Board of Directors. Tim is the Grand Knight of the Minneota Knights of Columbus and a member of the Southwest Sportsmen's Club in Minneota. He was formerly the Chairman of Minneota School Board, Secretary and President of the SWSC and has served on various church committees. He enjoys hunting, fishing, camping, and golf.



Montevideo Area

Alan Enevoldson

Al has served on the FCE board since 2008. He lives five miles west of Montevideo. Al and his wife Jodi have two children, Tasha and Devin. They also have two grandsons, Trey and Peter. Al raises corn and soybeans with his father Leroy and son Devin. He sells seed for Golden Harvest and Titan Pro. He is a member of the Minnesota Corn Growers Association and the Minnesota Soybean Growers Association. Besides fishing and hunting, he enjoys pickup pulls and going to car shows.



**It's A Good Idea
To Take A Good
LOOK
At The Grain
Stored On Your Farm
Once A Week**

Argentina's drought still in the news

Markets push up with continued drought conditions in Argentina, wetness in Brazil and now the potential weather story of persistent dryness in the SW portion of the Southern Plains area. Soybean meal is the leader with other commodities coming along for the ride. Having old crop and new crop sales on the books makes sense with the information currently available. A few reasons why to price Corn – Dec 18 corn futures have not been able to get over

By
Grant Velde
*Grain
Originator*



\$4.00, March 18 corn futures have been stuck at the .10 trading range of \$3.60 – 3.70 and current world stocks of 229.8 mmt. A few reasons to price Beans –

Brazil's new estimated record bean crop at 117.5 mmt, increased bean acres in the U.S. and current world stocks of 98.14 mmt. My point being, when the drought situation in Argentina and wetness in Brazil change, there will be pressure on beans and corn with the Bulls losing traction and the Bears taking control. "Reward the rally"

FCE has a variety of marketing choices from Value Added Contracts to Direct Ship Bids, HTA's with a choice of location to set basis and FCE's On-Farm Pick-up Service.

Brokerage services

Did you know that FCE has a full service Brokerage? I would guess many of our customers do not know that. FCE has been a branch location for CHS Hedging since 2000. CHS Hedging is a wholly owned subsidiary of CHS and has offices in Inver Grove Heights, Indianapolis, and Kansas City. FCE has worked with them for a very long time and they are one of our trusted partners in our hedging and merchandising program.

I have been the licensed broker here since we opened the branch in 2000. By having a local branch and broker, producers can have a feeling of trust and confidence. There are many, many brokerage and advisory services out there. Many of them are not local companies or people. They can still do the trades and give advice but I really believe that having a local con-

nection maintains the best interests of both parties. Of utmost importance to FCE is a producer's ability to have confidence that he is being treated as a customer of the cooperative, his information is confidential, suggestions are offered in good faith, and the relationship is for the benefit of both parties.

Keep in mind that trading futures and options has risk. It also has benefits that allow producers to manage risk. The latter far outweighs the former. The slim margins in production agriculture need to be protected. Using a local broker and simple, easy to follow suggestions will help our producers manage margins. Call us today about information on how to open a brokerage account. It does not matter how big or small your operation is, we can help you out.

By
Bill Doyscher
*Assistant
Manager*



Bill Doyscher
riskmanager@mvtwireless.com

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Muddy pens a challenge in getting cattle to perform

This winter has been relatively mild except for the 2 weeks in January with the subzero wind chills. There hasn't been a lot of snow nor have the temperatures been miserably low all winter. BUT, we have seen several periods of thawing and freezing and that can upset cattle performance. Muddy pens can result in as much as 100 pounds difference in final weights of cattle of similar type and fed similar rations. Even though we haven't had a severe winter, we need to manage pen conditions.

By
Ron Hodges
*Feed
Department*



Muddy pens can be one of the biggest challenges in getting cattle to perform. Keeping cattle bedded and pens scraped is one of the most beneficial things you can do for your cattle during the winter and early spring. Removing snow within 24

hours of a storm from outside pens can improve pen conditions now, which will pay off later as the lot surface starts to thaw. Remember, today's snow will become tomorrow's mud.

March 20th, we will be hosting our 5th Annual Winter Beef Meeting in Redwood Falls. All feeders are invited to attend and we will be sending invites out. Please contact Beth or Ron at the feed mill if you have any questions. Thank you for your patronage!

Select Seed with the best yield potential

First of all, we would like to thank everyone for their continued seed business!

Looks like Spring is having a hard time warming up. With the low corn and bean prices, make sure you put the right hybrids on the correct ground to maximize yields.

If the hybrid you are considering pro-

duces big flex ears it will excel at lower seed population. If you have a fixed ear hybrid that produces smaller, consistent sized ears, it needs higher populations to produce maximum yield.

With corn-on-corn rotations becoming more prevalent, it is essential to plant hybrids with high genetics that can tolerate the increased disease pressure. We still have a nice supply of:

3399SS 4099SS 4079SS
4199SS 3909SS

Bean seed treatments payoff

Seed treatments help develop good plant health early on, and it all starts with a good canopy. The more leaves a plant has early on the more sunlight the plant can take in and the more shade it can create, improving plant strength and weed control/respectfully.

Seed treatments make a difference even when you are planting beans that have and Rpsi-X or C gene. Even though these genes carry resistance to early cool season

By
Steve Fry
*Seed Team
Leader*



diseases like Phytophthora and Pythium, the treatments complement the genes and improve protection against these diseases.

We do have a few bags of LG non-treated corn for the organic farmers.

We also have a good supply of these Croplan numbers on hand ..

1760	1400	1950	2200
LC1665	LC1200	LC2096	RX1466
RX1827	RX1960	RX2147	

Happy Spring Planting!

Thanks for your business!

Steve Fry Seed Team Leader

It's Time To Order Your Chicks



We have a large selection.

Delivery is by mail only.

Prices and availability will vary by breed.

Call Allison at the Feed Mill
in Cottonwood

507-423-6235 with pricing
questions or orders.

Volatility name of the game lately

Volatility seems to be the name of the game lately. It wasn't too long ago we hardly watched the screen move all day and now prices are changing by the second. It sure has made for a busy time in the office the past few weeks as we've watched March soybeans gain nearly 90 cents and corn nearly 20 cents since mid-January. Have you rewarded the market by selling any old crop during this time, or new crop? The big question is, when are the fun and games going to come to an end?

In this same time the funds have covered roughly 200,000 contracts and now are long a few thousand. And the market only moved 20 cents...? Does this mean that if the funds go long by another 200,000 we

will get another 20 cents out of it? Or maybe we won't need that much movement to gain on futures. However, things can go short at lot quicker than they do long.

Having the cheapest corn in the world has certainly helped out our exports. Week over week corn export sales have blown trade estimates out of the water and we are now ahead of pace by 3%. Customers like Japan, South Korea and Mexico continue to be strong buyers from us. At least there is some place to go with the large amount of corn that is still in this country, and in southwest Minnesota.

The USDA released its acreage outlook for 2018 and came in with a decrease in both corn and bean acres, 90 million for

By
Laura
Wentzel
Grain
Merchant



both compared to 90.2, and 90.1 respectively last year. Watch for the big report day on March 29th when the government releases both the Grain Stocks and Prospective Plantings report at 11:00 am. As the market continues to buck, put your sell orders in and hold on. I'm looking forward to seeing you all at the Annual Meeting on Friday, March 16th!

Demand pulls

Hard to believe Daylight saving time is March 11th, Spring begins March 20th and our region is just now getting our first substantial snow fall on February 23. With any luck it will melt away as fast as it arrived, overnight. Between the market rally and this dry but cold winter there has been substantial grain movement from the farm gate. This is unusual when compared to past years. This grain movement as of late should alleviate the constraints during the summer months, make for less volatility in freight and make for a more consistent P&L. In a market screaming at us to carry all of this crop, we must balance, toe the line, and weave the thread in moving just enough grain to stay fluid. That buys the time it takes to move this crop at the top of the curve when this market turns to a price and sell market rather than the carry mar-

ket. Your coop has the capacity to meet those needs thanks to its patron/owners.

Looking into the coming months for corn it feels like N. America has finally found significant export demand. For the US Farmer this is very complimentary when coupled with the domestic crusher of "X" bushels/months and nothing more. Competition is good and it is good to have the access, speed, and space of FCE. I really do not see any reason that this will not continue into the summer and fall. Today it is hard to see the carry into the summer because the cash market has a need for corn March, April, and May. I'd venture to say that once March, April, and May's thirst has been quenched we will see June, July, and August start to incentivize us to carry again.

Beans have been lacking in demand at the N. American coast but domestically we grind at 100% capacity. With S. America

By
Ben Hedtke
Grain
Merchandiser



harvest keeping vessels pointed to them we miss export business...for now. With that beans need to be carried until cash markets tell us to price and deliver. Thank goodness for dryness in Argentina!

Will this 199A issue be resolved? Who knows with politicians are at the helm. One thing is certain and history will attest to it, it will take lots of time before there is a resolution, maybe years. For this reason and many others FCE offers direct-ship bids and off the farm pick-up to any of the local markets.

Looking forward to Easter! Thank you for your business and please call if you have questions.