

HANLEY FALLS • COTTONWOOD

MONTEVIDEO



**farmers
cooperative**

MINNESOTA FALLS

ECHO • TAUNTON • MINNEOTA

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March 2020

From the manager...

See you at the Annual meeting



By
Scott Dubbelde

I hope that you have had a decent start for the year 2020. We could use a Spring rally in the grain markets and it could start sooner than later in my book.

We started picking up the north Montevideo corn pile this week and we plan to go right to Minnesota Falls when we're done in Monte. And we've loaded two corn trains at Monte so far and have made the #2 yellow corn grade requirements. We are fortunate to have some 54+ test weight corn. Not all of the upper Midwest areas can make the #2 Yellow corn standards.

We're told that the State Highway 23 project is likely going forward this year. The road project stretches from Granite Falls to County Road 24 South of Cottonwood. They've said that all intersections will be open during construction. You should've received a postcard informing you of our 2020 Free Price Later corn and soybean program that began on February 17th. It may make sense for you to haul your grain in now especially if you are impacted by the Hwy 23 project. (Assuming the project moves forward in 2020?)

We hope that you can attend our FCE Annual Meeting on March 13th. The Yellow Medicine East FFA Chapter will be presenting at 6:30 PM, before the business meeting, on highlights of their trip to Alaska last Summer. Dividend checks will again be ready and if you reach the age of 68 before March 31st of this year, you can pick up your Equity Retirement check. See you on the 13th.

ANNUAL MEETING

Friday, March 13

at the

LAKEVIEW HIGH SCHOOL IN COTTONWOOD

BELGIAN WAFFLES

Served from 4 to 7:00 p.m.



ENTERTAINMENT

At 6:30, the Yellow Medicine East FFA Chapter will share the highlights of their trip to Alaska.
This will be worth coming early!

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

Cottonwood Area

Steve Doom

Steve has served on the FCE board since 2005. He and his wife Brenda live five miles west of Cottonwood. They have three children: Cody, Justin, and Carly. Steve and Brenda have 5 grandchildren. Steve has been farming since 1980. He and his cousin grow corn, soybeans, and alfalfa. They also raise hogs and cattle. Steve enjoys hunting, golf, and playing cards.



Minnesota Falls Area

Cory Janssen

Cory lives in Maynard with his wife Steffanie and their 5 children: Sawyer (14), Brielle (12), Jonah (11), Lucas (8), and Brynna (6). The kids all attend MACCRAY schools. Cory has been farming for 20 years with his father Randy. They grow corn, soybeans, sugar beets and edible beans. He enjoys hunting, snowmobiling, spending time at the lake with the family, and coaching his kids in youth sports. Cory is a board member of the Chippewa County corn and Soybean growers and also a board member of the MACCRAY 2180 foundation.



Taunton Area

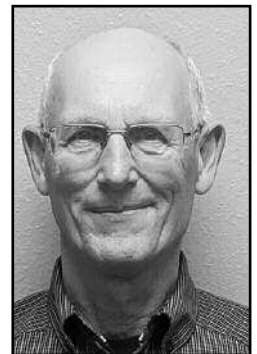
Adam Gorecki

Adam and his wife Sara live north of Taunton where he has farmed for 21 years with his brother, Dad and his two uncles. They raise corn, soybeans, wheat and alfalfa. They have a cow/calf herd and finish cattle. Adam and Sara are the parents of Noah (13), Niara (10), Stella (7), and Skyla (4) they are all students at St. Ed's in Minneota. Adam enjoys hunting deer and pheasants. He believes in supporting local co-ops because they help small towns survive.



Brad Sunderland

Brad has served on the FCE board since 2008. He raises corn and soybeans with his son Toby, his brother Steve and his nephew Brady northwest of Minnesota Falls near Maynard. He and his wife Mary have 2 adult children Toby and Jodi. He has been farming since 1977. He had been a township supervisor for 32 years and had served as chairman. He is a director at AgCountry FCS for 27 years, where he has also served as chairman. He is a member of the Corn and Soybean Growers Association and has served as their Secretary/Treasurer. Brad enjoys woodworking and playing with his granddaughter and grandsons.



Select seed with the best yield potential

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

Looks like spring...it's starting to warm up a bit! With corn and bean prices low, make sure you put the right hybrids on the correct ground to maximize yields.

If the hybrid you are considering produces big flex ears it will excel at lower seed populations. 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: 3575VT-SS, 3795 VT2, 3899 VT2, 4199 VT2-SS, 4188 VT2-SS, 4265 VT2, NEW, 4079 VT2-SS, 3909 VT2-SS, 4099SS

Bean Seed treatments pay off...

Seed treatments help develop good plant health early on, and it all starts with 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 the Rps1-V or C gene. Even though these genes can carry resistance to early cool season diseases like Phytophthora and Pythium, the treatments compliment the genes and improve protection against these diseases.

Soybeans available

Liberty

L1200, L1550, Gt1380, Gt1818, 1359, 1780

By
Steve Fry
Seed Team
Leader



Enlist

1220E, 1429E, 1520E, 1829E, 2020E

Xtend

1187X, 1519X, 1600X, 1827X, 1960X, 2219X

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

Happy Spring Planting!

Thanks for your seed business!

Big disruption caused by coronavirus fears

As I write this on Monday morning, futures markets are taking a big step back on coronavirus fears. The concern is more big-picture economics than actual demand destruction. Lack of travel and inability to keep businesses operating because the supply chains are getting disrupted is a bigger concern.

These are the "Black Swan" events that we have spoken of before. They have an immediate and substantial effect on our market place. For the most part, they are not long term. But they definitely cause pain and agony for us in the marketing space. Alongside that pain and agony lies the fact that we really didn't have an incentive to do anything any way. Then feelings of remorse set in because we "should"

have done something. I caution all of our producers about that remorse. Doing something just because it looks good now not does not mean it was still a good idea. Especially when prices are trading in the bottom end of recent ranges.

Patience is the key. Our seasonal rally will come. I cannot guarantee the size or depth of the rally, but it will come. More than in years past, producers must be ready to reward that rally. Make certain you maximize your crop insurance elections and sell when the rally comes.

I plan on seeing all of you at the Annual Stockholders Meeting. Dividend checks will be distributed!

By
Bill Doyscher
*Assistant
General Manager*



Bill Doyscher
riskmanager@mvtvwireless.com

*** This information is taken from sources which we believe are reliable, but is not guaranteed. This info is sent to you for information purposes only. There is a risk of loss when trading commodity futures & options, and is not suitable for everyone ***

Where are we headed

We've been fortunate to see the prices we have this year with a short crop, but with fall tillage done, fertilizer on, and producers finalizing what they are hoping to plant, where do we see prices heading? The harsh reality of the situation is a difficult one to deal with. One that may not be as favorable, price wise, as we have seen this past year. With large numbers of preventive plant acres across the entire corn-belt, it would be safe to think most of those acres would get put into corn. In addition, are producers going to stick to their crop rotations or will they sacrifice their practices to plant a seed that may end up resulting in more profitability? This is a very real debate many are considering, but it is important to keep in mind as corn and soybean growers, are we going to suppress the only market that is allowing us profitability (corn) and plant more corn? It is my guess after talking to producers, crop rotation practices takes priority over market conditions/incentives. It is my guess that

By
Mike Busack
*Grain
Originator*



there will be a hefty intended planted acreage number on corn this year and I believe this will bring down our prices if planting season goes well. So what can we do today to plan for this? Well, for many, there is still a large amount of old crop corn that still has to be marketed. With a bleak outlook moving forward, basis levels remaining strong, and small carries in the market, selling cash bushels to the best market possible seems to be appealing. Don't have the trucks or time available to get it there? We can provide you the opportunity by using our off-farm pick up service to our end users or to any of our FCE loca-

tions. With that, when pricing old crop bushels be looking out into new crop 2020 and even into 2021 for possible pricing opportunities. Whether that be through the use of our HTAs, Accumulators, or one of our other value-added contracts. Although, when looking at forward contracting, don't get too sell happy knowing that it's attainable to have a year where we can't get everything planted. Still trying to decide what is best for your operation? Feel free to give us a call or come sit down with our grain marketing team to find the best options for your farm. Markets are always changing their dynamics and it is our responsibility to adapt quickly to the changes and form a plan to capture unique opportunities that come and go so quickly. Stop in and let's discuss what 2020 has in store for us. Thank you in advance for the unmatched loyalty and support of your patron owned Farmers Coop Elevator!

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

LOOK

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

Free Price Later

**began on Corn and Soybeans
Monday, February 17, 2020
as space allows.**

If not priced by 4:30 p.m. on August 31, 2020,
storage will accrue from
August 1, 2020.

Domestic demand

There are many paths that may lead to a year of success. Alternatively, there are very few roads that lead to a history of sustainability. And sometimes you need to blaze your own path, a challenge not done single handedly. At FCE we can look to 2 key elements that have lead us to where we are today. First, you the patron/owners of this local coop and second, your coop's employees. Notice I didn't list infrastructure or money or rolling stock. These assets must be adequate for the business to even be in the game. This is because of Grain Trading Rule #3, "mental capital trumps real capital". FCE continues to strive to be a least cost leader in grain, seed, and feed. This means your coop has a focus on efficiency and volume. Which is why many of us at FCE have multiple roles, grain facilities are maintained internally as much as possible and grain quality is of the utmost importance. Like you our patron/owners we operate in a highly competitive environment in a game of pennies and bushels. FCE's marketing perspective understands grain flow and the need for freight in 2020 will be different than usual. With the PP acres of 2019 and the ongoing tariff battles our markets are more domestic which means grain will move more on rubber wheels than steel wheels. This means that for FCE to participate we must offer you the patron/owner the best FOB value for your grain. Hence the direct ship opportunities on beans and corn bundled with the freight option. Until we resolve the tariffs and our crops can compete globally, and they will one day, your production stays close to home and is pointed at local processors who are watching every penny

more closely than ever. Thank goodness for the local mills for being such a great market while we continue to sort out our global challenges.

It was pretty clear starting in May of 2019 our local crop was not going to be average. So FCE prepared and planned accordingly. It was clear that by November the 2019 crop was going to be a different quality so FCE prepared accordingly. It was clear that by December the domestic demand for corn and beans was going to be greater than the global demands so FCE prepared accordingly. Today, the cash markets continue to pull harder domestically. Couple that with small carries and inverses in the CBOT and your coop is continuing to serve its purpose. That is provide you our patron owner competitive bids and provide the market what it needs when it needs it. This all just takes time at a time when time is precious. There is a critical mix of time, space and money required to operate efficiently in the grain business. Fortunately, your coop being so fiscally responsible with a long history of success has been able to maintain and preserve in these challenging times. Again this is due to FCE's patron/owners and employees.

What to expect in 2020? Change. No two years are alike. The ability to change swiftly and efficiently will be critical not just for 2020 but for many years to come. Historically this time of year is not the best time of year to be pricing grain. But what if this year is different? If the U.S.A successfully plants 97 million acres of corn we better be selling 2020 and 2021 and 2022 crop to some extent. If the tariffs are resolved we better be ready to deliver what the mar-

By
Ben Hedtke
*Grain
Merchandiser*



ket wants in the form of quality and quantity and timeliness. And remember mental capital trumps real capital so be mentally prepared to execute when the market tells us to do so.

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 Jena or
the Feed Mill
in Cottonwood
507-423-6235
with pricing questions
or orders.**