


HANLEY FALLS • COTTONWOOD

MONTEVIDEO



**Farmers
Cooperative
Elevator Co.**

MINNESOTA FALLS

ECHO • TAUNTON • MINNEOTA

FARMERS COOPERATIVE ELEVATOR CO.

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DECEMBER 2020

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Cottonwood

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Vice Pres. - Jon Thostenson
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David Alness
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Brad Sunderland



Holiday Closings

All FCE locations will be closing at
NOON ON
Thursday., Dec 24
Thursday Dec. 31
AND CLOSED
Friday Dec. 25
Friday Jan. 1

2021 CALENDARS ARE IN.

Please contact your location to arrange for contactless pickup.

Left hook with a right arm

Merry Christmas and Happy New Year! What a difference a year makes. "The Great Grain Robbery 2.0", "A perfect Storm", a left hook with the right arm whatever you want to call it the past 2 months have been bitter sweet. Bitter, because we all sold some too early, sweet because well we all had some yet to sell into a market that seemed like a bottomless pit in the middle of harvest.

Grain logistics whether by rail or truck have been seamless both off the farm and directly to end users. Your Coop continues to feel challenged for space as the market rallied in November and pleasant weather pushes on.....so far. Thankfully rail logistics continues to be perfect. We are in Minnesota so this to shall change, make hay while the sun shines or rather, haul grain while the roads are visible.

Thinking ahead from a 1000 mile high perspective it is breathtaking to see markets that provide value to the farms again. I do not think the market is done providing value in the future month either for corn or beans. Now don't sprout new horns with that comment I am cautiously optimistic and as time progresses the market will process what values need to trade. Due to balance sheets on both commodities feeling squeezed from global demand its likely we will see summer values that provide small carries. However, I am cautious because demand can change much quicker than supply and much quicker than we can react. Look at what covid did to

our ethanol industry in 2020. Now, with so much demand from 1 user (China- not the most transparent) my finger will remain gingerly pressed against the trigger for when what they do differently from what they say.

Thinking ahead locally from maybe 100 miles high fundamentally I do not anticipate our cash markets having to do the work they had to do last year pre-covid. Unless, yes there is always an "unless" we see a drought in 2021 or there is simply no need for the farm economy to generate cash through new sales. If the later is the case expect more new bins across the landscape (not necessarily for the right reasons) and a continued reluctance for corn to move into the local markets. Different from last year it appears exports will remain robust and provide some carry often not seen at local mills or processors. This will keep the landscape very competitive for the farmer benefit. Let's all say a prayer Covid 2.0 is not in our near or distant future. If so toss everything I just said out the window.

As always, take it for what you paid for it. Have a blessed Christmas and thank you for all your continued business.

By
Ben Hedtke
*Grain
Merchandiser*



"It's not going in our yard, Russ. It's going in our living room."

-Clark W. Griswold

This is how I felt after seeing the amount of corn and beans brought to the elevators in the last three months and wondering to myself, "Where are we going to put all of this?" Fortunately, none of the grain ended up in our living room! Harvest-with the exception of a couple of snow events-came fast and FCE went full speed ahead. We dumped the first load of beans in very early September and were wrapped (mostly) up in the first half of November. On our biggest corn day, FCE dumped 953,293 bushels. That's over two shuttles in one day. Amazing! Operationally, we had a great harvest and were able to keep the grain moving and we are thankful for that! However, with that being said, we have a lot of grain to get out of here. Remember rail cars and semitrucks only move so fast so I ask for patience when it comes to hauling in, even if the weather is fit.

The market rally has been the biggest blessing this year. Did you sell "too early?" Most likely. However, as I'm writing this, the average bean price of the year is well below \$9.00 and the rally came later than in a normal year so be easy on yourself. A lot of pressure is being put on South America and weather concerns. Look what happened last week on the bean market-we lost 50 cents in three days because of no fresh export announcements and Brazil got a small rain. See Ben's article for more thoughts on the rally and selling. In regards to 2021 crop, prices have spiked interest, particularly in the bean market. \$9.50+ is not a bad place to start selling, especially compared to this year. We have

inched close to \$10.00 so figure out a price that works for you financially and put some orders in. Should you sell 50% of your normal production? Probably not. But picking off a few loads will help if the market goes down like an escalator.

By
Laura
Ruble
*Grain
Merchant*



Last but not least, our Averager contract will launch again in a few weeks. This may not be your best-selling contract; this year it certainly wasn't. However, year-over-year the AverageR proves to be a valuable tool to market grain during a historically good marketing period. It is free of charge and you can sign up bushels for 20 and 21. If you have any other suggestions, questions, or comments of things you'd like or to see changed, please don't hesitate to reach out.

For comparison, here is the past Averager Results:

2020 New Crop: 2.96..... Price on October 1st: 3.39

2019 New Crop: 3.63..... Price on October 1st: 3.68

2018 New Crop: 3.48..... Price on October 1st: 3.16

As we wrap up the year, I encourage you to sit back with your family, enjoy some eggnog and turn on Christmas Vacation, if that's your thing. Wishing you a Merry Christmas & a healthy New Year!

DEFERRED PAYMENTS

Deferred payments will be ready by 10 a.m. **Monday Jan. 4.** 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. Please arrange minimized contact for pickup.

What is normal?

The last time we can remember having an open fall harvest like this was somewhere around 2012, maybe 2014. What a treat to be able to make choices without the pressures of looming weather that may or may not delay harvest. Even though we had a bout of snow, it seemed like the pattern and extended forecasts were aligned in the correct way for the first time in quite a while.

This doesn't give us a free ticket to become complacent. Even more so, it should give all of us a stark reminder that all things go into making an average. Highs, lows, and middles of the road get blended together to create what is average or "normal". What is normal, though? I would venture a guess that what is normal now is not what was normal in 2012 or 2014. If we are willing to be objective and see this, then we should know that means there is a change, even if we call it normal.

For the cooperative and all of our producers alike, being cognizant of this change is not a burden, it is a necessity. Operations at the coop continue to evolve and merchandising takes many different turns. Our domestic corn market may not be what it was in 2012. Our export markets may become a type of new "normal". Lest we forget, our political landscape seems to be in a constant state of flux, more divisive than ever, and rarely constant enough to be called average or normal.

Challenges throughout the Year

The Feed market went through a few unforeseen and challenging times this year. Early Spring, we saw a shortage of Distillers due to ethanol plants closing and an overall decrease in production. The FCE Feedmill had to find a new source of these key feed ingredients and nutrients. Our main replacements were soybean meal and corn. We made it work and were fortunate to get through those early tough times. Unfortunately, we are seeing the same pattern today. Nearly a dollar/bushel rise in the corn futures market since August led to another price spike of DDGs. However, we are trying to plan the best we can for pricing in the coming months ahead. Today, the Mill is using Distillers in livestock feed as a source of proteins and a high concentration of dietary fiber and we

Winter Preparations

We would like to remind all of our patrons of a few weather related items. It is good to have a "STORM PLAN" in place before we get a storm. 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 and make sure you have plenty of ingredients on hand. Make sure your blade/blower is ready to go and easily accessible. Check your water lines and be prepared for frozen lines. Make sure you have extra bedding on hand and clean your pens as soon as possible after the

Happy Holidays from the Seed Department

We all got through a great and memorable wind damaged harvest! We surely won't forget it for years to come! These are some really good numbers that stood out in the answer plots.

Corn: New Numbers - 3490 vt2 3890 vt2 limited

Soybeans: Enlist: 1120E, 1121E, 1420E, 2120E, 1721E, 1820E, 2021E, 2321E

Liberty: 1200

Extend: 1100X, 1400X, 1600X, 1611X, 1827X, 1960X, 2200X, 2128X

Extend Flex: 1341XF, 1740XF, 2140XF, 2341XF

This is not the time to sit back and rest on the laurels of a good to above average crop with prices that are higher than "normal". This is the time to assess all things in our respective operations, on the farm or at the coop, and determine what we as members of the agriculture sector can do to be leaders.

Please communicate your wants and needs to us a FCE. Let's work on staying ahead of the pack as producers and a cooperative. Especially in this holiday season, let's join together as partners for the greater good of us all. Most importantly, join together with your families and take what has been given to us, time to spend with each other.

Merry Christmas
and I hope you plan
for a prosperous
New Year.

By
Bill Doyscher
*Assistant
General Manager*



Bill Doyscher
riskmanager@mvtvwireless.com

hope that we can continue on that path as long as supply remains strong and prices remain reasonable. If you have any questions about what rations would look like, feel free to give Beth or me a call at the Mill.

Wishing you all a safe
and happy holiday!

By
Zach Giese
*Feedmill
Manager*



storm. Have a storm
ration available. Cattle
may back off feed and
there should be more
hay in the ration. Most
of all....stay safe!

We wish all of our
patrons & their families
a safe & happy holiday
season!

By
Beth Feller
*Livestock
Specialist*



By
Steve Fry
*Seed Team
Leader*



If you have any questions, don't hesitate to call! Thank you for your seed business. Enjoy time with your family and friends during this holiday season! 507-768-3602

Farmers Cooperative Elevator Company

1972 510th Street
Hanley Falls, MN 56245

Temp-Return Service Requested

From The Manager



By
Scott Dubbelde

Harvest 2020 was awesome.

What a rollercoaster ride these past couple of years. Thank goodness for the good crop in 2020 and the nice weather we've had to get all of the fall

fieldwork completed. Quite a contrast to the growing season and Harvest of 2019. Your FCE Employee Team dumped just under 19 million bushels of grain this fall. They worked long hours and did great. FCE was very close to being full at all locations at the end of bean and corn harvest, but we never stopped receiving grain. We loaded out 2.1 million bushels of soybeans during Harvest which kept us off the ground, with respect to uncovered piles, at all locations except Minneota. And we've already picked up this pile. All of our corn and bean bunkers and piles are tarped and aerated. The plan that our FCE Team executed worked awesome. Thanks to all that made the 2020 Harvest smooth and very successful.

I will not get into the negative happenings of 2020. The news media does a good enough job of this. But I would like to give our thoughts and prayers to all that have been negatively affected by the Covid virus. 2021 will be a better year with respect to this.

Our hope and belief is that sometime in 2021 we will be able to have an FCE Annual Meeting together. The vaccines sound promising and when we are confident that everyone who wants the vaccine has received it, we will plan the meeting. We will play our annual Customer Appreciation Pork Chop Suppers by ear. We love to get together to socialize with you and show you a small token of our appreciation for your business and support. We'll keep you posted as next year unfolds.

Scott Beukelman did not stay retired very long and we are very thankful for this. He does a great job with our Safety and Health Program at FCE. Doug Hagen and Peggy Mooney both went back to work at the Cottonwood Cabinet Shop.

Adam Goschey also left FCE and is going to work for the Consumers Coop Oil Company in Clarkfield. We wish Doug, Peggy and Adam the best of luck in their future endeavors and thank them for their service to FCE and our Patron/Owners. The information for current job openings at FCE is on our website.

The Christmas Season is truly about the gift of the Baby Jesus. This event reminds us of the ultimate hope that we have on this Earth and in Heaven. 2021 won't be perfect. There will still be negative happenings. But we have great hope and promise for brighter and more normal times next year. A poem that comes to mind is:

"Footprints in the Sand."

One night a man had a dream. He dreamed that he was walking along the beach with the LORD.

Across the sky flashed scenes from his life. For each scene he noticed two sets of footprints in the sand: one belonging to him, and the other to the LORD.

When the last scene of his life flashed before him, he looked back at the footprints in the sand.

He noticed that many times along the path of his life there was only one set of footprints.

He also noticed that it happened at the very lowest and saddest times in his life.

This really bothered him and he questioned the LORD about it: "LORD, you said that once I decided to follow you, you'd walk with me all the way. But I have noticed that during the most troublesome times in my life, there is only one set of footprints. I don't understand why when I needed you most you would leave me."

The LORD replied: "My son, my precious child, I love you and I would never leave you. During your times of trial and suffering, when you see only one set of footprints, it was then that I carried you."

*All of us at FCE wish you
a blessed Christmas and
a happy and prosperous
New Year.*

