

GRANITE FALLS ■ HANLEY FALLS ■ COTTONWOOD ■ TAUNTON ■ MINNESOTA FALLS



**Farmers  
Cooperative  
Elevator Co.**

MONTEVIDEO ■ ECHO ■ MINNEOTA ■ GHENT

# FARMERS COOPERATIVE ELEVATOR CO.

1972 510th Street  
Hanley Falls, MN 56245  
E-Mail: [fce@mvtvwireless.com](mailto:fce@mvtvwireless.com)  
Website: [www.farmerscoopelevator.com](http://www.farmerscoopelevator.com)

December 2014

**Hanley Falls:**  
507-768-3448  
800-626-2510  
**Hanley Falls  
South Elevator:**  
507-768-3602  
**Hanley Falls  
Uptown Elevator:**  
507-768-3484  
**Minnesota  
Falls East:**  
320-564-3835  
320-765-4100  
**Minnesota  
Falls West:**  
320-564-3834

**Montevideo:**  
320-269-6531  
**Cottonwood:**  
Mill Office:  
507-423-6235  
800-423-6230  
**Cottonwood  
Elevator:**  
507-423-6489  
**Hardware Store:**  
507-423-6231  
**Echo:**  
507-925-4126  
**Taunton:**  
507-872-6161  
**Minneota:**  
507-872-6134

# Merry Christmas

## Cottonwood

Jacob Albee  
Allison Blake  
Chad Downing  
Gary Enger  
Beth Feller  
Gene Goldenstein  
David Gregoire  
Ron Hodges  
Cheryl Laleman  
Jessica Laleman  
Mike Schuttler  
Jeff Tusberg  
pt-Ardyce Louwagie  
pt-Krista Davis  
pt-Miranda Milner  
pt-Cody St. Aubin  
pt-Sandy Doyscher  
pt-Lisa Fratzke

## Echo

Russ Hennen  
Bryan Nielsen  
pt-Merlin Hennen

## Granite Falls

Sandy Fischer  
David Roe

## Hanley Falls

Scott Beukelman  
Brad Bossuyt  
John Brandts  
Willard Burns  
Bill Doyscher  
Scott Dubbelde  
Steve Fry  
Ben Hedtke  
Karen Huso  
Mark Kauffmann  
Jerry Koepke  
Connie Melberg  
Denton Olson  
Kristi Selzler  
Levi Shemon  
Rob Sorbel  
Fred Stumm  
Becky Timm  
pt-Wes Cole  
pt-Rollie Rebers

## Minneota

Kevin Johnson  
Richie Sorensen  
pt-Ryan Esping

## Minnesota Falls

John Holien  
Taylor LaVoy  
Kim Malmquist

## Montevideo

Bruce Bowman  
Wyatt Brusven  
Tasha Enevoldsen  
Adam Goschey  
Gene Olson

## Taunton

Dan Grengs  
Dave Kimpe  
pt-Dean Lichtsinn

## BOARD OF DIRECTORS

Mark Vandelanotte	Todd Lecy
Stan Knutson	Dan Stevens
Al Enevoldsen	Brad Sunderland
Steve Doom	Jon Thostenson
Tim Gossen	

## Holiday Closings

All FCE locations  
will be closing at noon Dec. 24  
and closed Christmas Day.

All FCE locations  
will be closing at  
noon on Dec. 31. and  
closed  
New Year Day

## From the manager... Harvest season went smoothly

The Holiday Season is upon us once again and we are busy picking up grain piles. The soybean bunker at Hanley Falls and the corn pile at Montevideo are on the down side and are in good shape. We had a good Harvest at FCE especially when considering the variability in yields throughout our territory. I heard a statistic on the radio that stated that elevators in

By  
Scott Dubbelde  
*General  
Manager*



Minnesota have 700 million bushels of storage and the Minnesota Farmers have 2.4 billion bushels of storage. There is a lot of farm storage capacity so please keep your eyes on your bins.

The Minnesota, Taunton, and Montevideo projects were completed in time and these

added assets helped us serve you this Harvest. We never ran out of LP this year and that helped make things go smoothly. I'd like to thank our dedicated Employee Team for working the long hours including weekends to keep you going!

We are reminded through the Holiday Season of the many blessings that we have. Life is not always easy but the Miracle of Jesus's birth triumphs all! We wish you a Merry Christmas and a Happy New Year.

Thanks for your business and Patronage in 2014 and we look forward to serving you in 2015 and beyond.

## A rally on the futures

Now that harvest is over grain marketing becomes the next objective.

The grain markets made lows in late September in anticipation of a large crop. The corn crop is estimated to be approximately 14 billion bushels. Since then corn has rallied 50 cents/bu. And beans \$1.25/bushel. At the same time corn basis has improved 20 cents and bean basis has improved 25 cents during this same time period. Corn carryout is projected at over 2 billion bushels and bean carryout at about 450 million bushels. It is unusual to see grain markets improving during the harvest

of a large crop nationwide with an improving basis at the same time during harvest. Slow farmer selling and excellent domestic demand from ethanol plants for corn and excellent bean export demand from China has set the stage for this rally on futures and basis.

Basis levels are attractive for this time of year. To take advantage of these attractive basis levels, basis contracts and extended price contracts to lock in basis levels while anticipating board improvement is an option.

The 1 ¼ million bushel corn pile in

By  
John Brandts  
*Grain  
Merchandiser*



Montevideo and the 1 million bushel bean bunker in Hanley Falls should be picked up by December 10th. The corn pile under tarp in Minnesota Falls will probably be moved in early spring.

We wish everyone a safe and enjoyable holiday season.

## FCE provides market tools and contracts

There is strength in numbers. I had an Ag-professor tell me once that there are many activists, campaigns, rights groups that, unlike the farmer of today, fail because within the group they are divided in what they want to accomplish. Today, the corn and bean grower want more for their crops. Simple as that. And believe it or not because of this collusion its working. Local prices stay firm, we experience incentivized basis levels, and spreads that narrow to inverses. All this in a time when we have what is supposed to be one of the largest corn and bean crops grown in the last few years. Fundamentally, speaking higher commodity prices do not make sense and certainly in our globalized economy The U.S. certainly does not need to have the most expensive corn and beans.

Nevertheless, it appears that the simple fact of strength in numbers has the local processor in a bit of a choke hold for the time being. A wet crop, low prices and excess storage capacity in a region that really did not fare well yield wise brought the lions share of the 2014 crop home to be stored by those wanting higher prices. But beware of price direction this summer. There will likely be some fireworks over the holiday season and through the winter especially if we experience a cold snowy one.

FCE provides many different marketing tools and contracts. FCE has a CHS Hedging branch office on-site. We provide direct ship purchasing, custom trucking, competitive prices and storage programs. Feel free to call with questions.

By  
Ben Hedtke  
*Grain  
Merchant*



Last but not least, tis the season to be thankful. Thank you for the roof over my head, the meal on my plate, for family, friends, my job, my wife, and of course my health. "Reflect upon your present blessings, of which every man has plenty; not on your past misfortunes, of which all men have some" so said Charles Dickens.

Thank you Mr. and Mrs. Farmer for your continued business. Have a safe and grateful Thanksgiving.

# DEFERRED PAYMENTS

Deferred payments will be ready by 10 a.m. Friday, Jan. 2. 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.

## Risk Management part of your operation

"The identification, analysis, assessment, control, and avoidance, minimization, or elimination of unacceptable risks."

Over the last 15 plus years, FCE has offered a Risk Management Group to help our producers gain better knowledge of the risks associated with marketing of their crops. There are many other groups/analysts out there that offer their services to producers all over the country, and even the world for that matter. The group at FCE has changed over the years both in its membership and in the way we communicate.

The last half of the definition above has been and will continue to be the basis for having a willing group of participants. I have repeated to many a group member that the object is not to get the best price, hit a home run, or prove that I am smarter

than the market. The object has always been to not do things that will hurt your operation and balance sheet. This seems like a defensive stance, and in essence it is. But it is also the proper way to approach risk management. Identify, analyze, assess and control the risks that will hurt your operation. Paying for a service with the impression that it will "make you money" creates an unreal expectation that risk management will make producers "whole". It is quite the opposite, in that true risk management in the commodity business should be about "avoidance, minimization, or elimination of unacceptable risks."

Marketing crops determines as much of the P & L of a producers operation as anything else. Risk management of that part of your operation should not be about getting the best price, but it absolutely has to be

By  
Bill Doyscher  
Assistant  
Manager



about not getting the worst case scenario. I wish you all the best for the holiday season.

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 \*\*\*

## Triple Roller improves feed efficiency

A new Triple Roller mill was installed in September. This new roller has improved our micron particle size and variance which is an important part of feed efficiency for our swine and dairy customers.

Cold temps came back with a roar which increases the risk of PED and PRRS diseases in swine. The mill implemented recommended biosecurity protocol and feed ingredient adjustments some time ago and has also become HAACAP Compliant. Hazard analysis and critical control points or HAACCP is a systematic preventive approach in production processes that reduces risk factors and promotes proper protocol in our case, feed production. We are proud to be HAACCP Compliant at our Cottonwood Mill.

Starting lightweight cattle properly is important for growth and productivity. The starting program for light weight calves shipped to your farm is different than the finishing program that follows. Starting these calves with proper health and dietary

management programs that FCE's beef team can provide, helps assure transition to a growing-finishing diet so that cattle can maximize their performance potential.

There are many stressors that newly arrived calves can experience:

- Transient endocrine responses
- Altered products of energy and protein metabolism
- Changes in appetite and dietary preference
- Altered and/or compromised digestive and ruminal function
- Impaired function of the immune system

Stressed calves may not have feed intakes greater than 2% of their body weight for an extended period of time after entry into the feed yard. An important objective for diet formulation during the initial time following arrival must focus on palatability, so that calves are willing to eat, and on a high degree of nutrient density to allow for a rapid restoration of body mass and nutrients lost during marketing and

By  
Gene  
Goldenstein  
Feed  
Department  
Manager



transit. That being said, diets need to minimize inclusion of urea, fat, and high moisture and fermented feeds, such as silage during the initial starting period. In operations where silage is part of the starting period, feeding twice a day is recommended to keep it from deteriorating in the bunk.

Health and nutritional programs should be communicated among the FCE nutritionists Tom Peters and Beth Feller, and your veterinarian to assure optimal conditions for maintaining health and subsequent growth and productivity. Talk to Beth about our starting programs for cattle.

Celebrate and enjoy the holidays, thank you for your business.

## Time to consider ordering your seeds

Well, we all got through a bountiful and safe harvest. It would be nice to have some moisture before the soil totally freezes up. All the plots were taken out without any problems. They all had fair yields. Below are some corn numbers to start thinking about and to look for in 2015.

Smart Stack	VTS	VT2P	New
3399	3499VT3	3337	3611SS
4099	4975VT3	3533	4276SS
4199	4033VT3	3899	
5146	3699VT3	4199	
5412	4721VT3		

### Check out these for soybean numbers

Blends	R3C1750
	R22200
Other numbers available	
1869	
1873	New
2972	1744
2120	1994
	2124

We also have the Mustang seed corn and soybeans available plus we will have wheat seed available.

The Farmers Co-op Elevator has financ-

By  
Steve Fry  
Seed Team  
Leader



ing again this year through Pro Partners Financial.

If you have any questions or concerns feel free to call me at 507-768-3602. Make sure you order early to receive the best seed sizes and the seed you want

# Markets principles may vary

"Mama always said life is like a box of chocolates. You never know what you're going to get." I am fairly confident that we are all familiar with this Tom Hanks quote from his 1994 movie Forest Gump, and is the case with these markets. Try as we might to figure out what these markets are going to do and we are reminded that we just don't know. So it is important to reward rallies and take advantage of some of the opportunities that are out there.

We may not like being reminded that just over a month ago we were kicking ourselves every day we didn't make a sale hoping for some kind of rally or even an uptick in the market as it seemed to just tumble lower daily dipping into 3.20 futures. So to help prevent us from sitting open with little to nothing sold in the future I have tac-

tic I would like to run by you. Now what I am about to describe is a marketing tactic that might go against some guys most basic marketing principles and is not for everybody. You will not sell the highs using this tactic but for the guys that want to potentially increase their average sales price this one's for you. It's called a "trap" and this is how it works. You put a set amount of bushels at a certain target price (your "trap" price) under the spot price, as the market works higher you continue to raise your "trap" price. When the market finally has a down day and starts to trigger your "traps" you make the corresponding sales.

So, for example, the market is trading at 3.67 futures today, I would put in an offer on the offer system to sell 5000 bu at 3.62 and 2500 at 3.57. Now say the following week

By  
**Mark Kauffmann**  
*Grain  
 Originator*



the market never traded down to hit my "trap" and is now at 3.75 Futures I would set another trap for 5000 bu at 3.70 and 2500 at 3.65. Now as the market continues to trade higher I may increase the amount of bushels and also change the levels at which I place the traps. As I stated before this is not for everyone but I hope that it will help some of you and add value to your operation.

Safe travels and happy holidays from FCE.

## HARDWARE HANK'S DECEMBER SPECIALS

Wrapping up another great year at the Cottonwood Hardware Store. We have a couple of great deals this month for you to wrap up & put under the tree. If you need suggestions or help finding that hard to find item let us help you & as always thank you for your patronage.

**Our Christmas sale is  
 Wednesday, December 3rd  
 through  
 Sunday, December 14th.**

- 3.5 quart casserole  
**Crockpot.....\$39.99**
- All of the Christmas candy  
 and dips are on sale**
- Milk House Heater .....\$17.99**
- 9 gallon space saving  
**Humidifier.....\$99**
- 30" x 72" center
- Folding Table.....\$39.99**
- 6k-12k hunting
- Buddy Heater.....\$119**

- All of our sleds are on sale**
- 21 piece SAE
- Socket Set and holder...\$19.99**
- 148 piece
- Mechanic Tool Set.....\$74**
- Mouse Sander**
- with dust trap.....**\$34.99**
- Dremel Multi Max tool kit....\$64**
- Booster Cables.....\$6.99**
- Suet Feeder with cakes...\$5.99**
- 14" Poulan chainsaw.....\$129**

Change Service Requested

Hanley Falls, MN 56245  
 P.O. Box 59

**Farmers Cooperative  
 Elevator Company**

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 GRANITE FALLS, MN  
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