

■ HANLEY FALLS ■ COTTONWOOD ■ TAUNTON ■
 GRANITE FALLS ■ **Farmers Cooperative Elevator Co.** ■ MINNESOTA FALLS ■
 ■ MONTEVIDEO ■ ECHO ■ MINNEOTA ■ GHENT ■

FARMERS COOPERATIVE ELEVATOR CO.

1972 510th Street
Hanley Falls, MN 56245

Website: www.farmerscoopelevator.com

December 2015

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



Cottonwood

Jacob Albee
 Allison Blake
 Gary Enger
 Beth Feller
 David Gregoire
 Ron Hodges
 Cheryl Laleman
 Jessica Laleman
 Jeff Tusberg
 Grant Velde
 pt-Heidi Burger
 pt-Angela Downing
 pt-Karlee Heck
 pt-Andrew Lenz
 pt-Miranda Milner
 pt-Deb Vermaat

Echo

Chad Downing
 Russ Hennen
 pt-Merlin Hennen

Granite Falls

David Roe

Hanley Falls

John Balvin
 Scott Beukelman
 Brad Bossuyt
 John Brandts
 Willard Burns
 Bill Doyscher
 Scott Dubbelde
 Steve Fry
 Gene Goldenstein
 Ben Hedtke
 Karen Huso
 Connie Melberg
 Bob Moore
 Denton Olson
 Kristi Selzler
 Levi Shemon
 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
 pt-Sharon Ostlie

Taunton

Dan Grengs
 Dean Lichtsinn
 pt-Jim Fink

Directors

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

Holiday Closings

All FCE locations
 will be closing at noon
 on Christmas Eve and
 New Year's Eve.
 We are also closed
 Christmas Day and
 New Year's Day.

Our Role in Antibiotics Resistance

One of the biggest challenges our world faces today is antibiotic resistance. Scientists don't know enough about why it happens and how to prevent it. To compound the problem, antibiotics are used in many ways and often times in an unregulated fashion.

An area of scrutiny is livestock production, particularly the use of antibiotics for medical and growth promotion. Livestock feed manufacturers chose to work with the FDA to change how antibiotics are administered to livestock in feed sources. As a result, the FDA formed guidelines 209 and 213 outlining new practices that will become effective next year.

Keep in mind, antibiotics used in livestock feed generally are not used in human medicine. Two classes of antibiotics make up the majority of antibiotics used in livestock feed. Ionophores, the main class of antibiotics used in growth promotion and controlling coccidia, has been deemed by the World Health Organization (WHO) not

By
Ron
Hodges
Assistant Feed
Department
Manager



medically important in human medication. Tetracycline is used in livestock feed, and to treat acne in human medication.

In a nutshell, any antibiotics used in any way for humans, tetracycline included, can't be used for growth promotion, and will require a prescription. Ionophores will be exempt from this except when used in conjunction with another antibiotic. It will have to be included with the prescription. If the disease is not listed on the label, it can't be treated in the feed. All prescriptions must be fed exactly as prescribed. Prescriptions will be good for 6 months and limited to a certain amount of refills. In light of this situation, it is best to align yourself with a vet

who is familiar with your operation and has seen your livestock.

Changing how we feed antibiotics to livestock alone won't combat antibiotic resistance, but we as an industry can do our part to ensure we have workable antibiotics for future generations. If you have any further questions or concerns contact Beth or Ron at the feed mill.

Old man winter has been good to us so far but we know that can change in a few hours. With that in mind we would like to remind all of our patrons of a few weather related items. To insure 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.

We wish all of our Patrons & their families a Safe & Happy Holiday season!

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.

Hardware Hank's December Specials

★ Hardware Hank will be open both Christmas and New Year's weekends ★

J&B Diesel Fuel Anti-Gel regularly \$26.99..... Now \$14.99	J&B Chain Lube Regularly \$13.99..... Now \$9.99
2 Pack of 60 Watt CFL Light Bulbs Regularly \$7.99..... Now \$3.99	Pistol Grease Gun Regularly \$22.99..... Now \$12.99
Pennzoil 10w-40 Motor Oil Regularly \$4.99..... Now \$3.49	Hazy Headlight Restore Kit Regularly \$24.99..... Now \$14.99
Brakleen Brake Parts Cleaner Regularly \$4.99..... Now \$2.99	Blue Tarp Regularly \$4.99..... Now \$2.99
Starting Fluid Regularly \$4.49..... Now \$3.49	Large Yellow Chore Gloves Regularly \$1.99..... Now \$1.29
Briggs & Stratton 1 Gal. Gas Can Regularly \$12.99..... Now \$7.99	Gallon of Bar & Chain Oil Regularly \$11.99..... Now \$5.99

(While Current Supply Lasts)

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work through supplies.

We are offering Cash Average Contracts for old crop and new crop bushels. They try to take advantage of the seasonal rise in commodity prices during Spring/early Summer. Now is the time to offer some bushels in. Any amount is acceptable because this is a cash contract. We simply divide the number of bushels by the number of weeks and price each week on a set day and time. These contracts start pricing in February and end in July. See charts on page 4,

Stay the course and be diligent about rewarding rallies. As I have told many, think nickels and dimes not quarters and dollars. With supply side issues we likely won't have the staying power in rallies.

See you at the meetings!

Bill Doyscher
riskmanager@mvtvwireless.com

Marketing Meetings

Thurs., Dec. 17th.

Minneota Community Center

9:30 AM

Cottonwood Community Center

1:00 PM

Montevideo Community Center

3:30 PM

Granite Falls Legion

6:30 PM

Coffee & cookies will be served.

CHS Hedging and FCStone

will present.

Order your seed early for 2016

We all got through a great, wonderful and safe harvest. Yields were good with corn and soybeans. All the test plots are out and the test plot books are here. If you would like a book, let me know. Some numbers to think of that did well are:

3399SS	93 day	3611SS	96 day
3909SS New	99 day		
4099SS	100 day	4199SS	101 day
5146SS	101 day	5369SS	104 day

We also have Double Pro versions

3899VT2	98 day
4822VT2	103 day
4199VT2	101 day

Mustang corn and soybeans are available

LG seed conventional corn or organic no seed treatment.

5427	95 day
5470	98 day
5499	100 day

We will have spring wheat in a Croplan label.

3378	50 day
3419	53 days

Forefront
Mercury
Prosper

By
Steve Fry
*Seed Team
Leader*



Oat seed
Colt

If you have any questions call me at 507-768-3602.

Thank you for your seed business. I wish you a great and wonderful holiday season.

New Grain Originator for FCE

My name is Grant Velde I am the grain originator for FCE. I would like to thank FCE for the opportunity to serve the Patron/Owners of this cooperative.

A little about me, I grew up on a farm 3 miles North of Hanley Falls. My wife (Becky) and I have two adult kids. Brooke is employed at the Mayo in Rochester and Tyson is a student at NDSU in Fargo.

This Fall I have been helping David Gregoire at the Cottonwood Elevator. I would like to thank the Patron/Owners that hauled to Cottonwood for the friendly reception to my employment at FCE. I am now at the office in Hanley Falls and will be out and about to see how I can serve you.

I look forward to serving you.

By
Grant Velde
*Grain
Originator*



Grain markets are nothing to get excited about

Happy Thanksgiving! Merry Christmas! Happy New Year! And just in case the trend continues Happy 4th of July! With the way these grain markets are behaving it could be a while before there is anything to get excited about. What used to happen in days or hours may very well take months now. The silver lining is that our 2015 yields were above average and expectations. Those incremental bushels should ease the strain of lower prices.

So what about these low prices? Long term, nothing remedies low prices like low prices. Just as nothing remedied high prices like high prices. We saw this in the freight market in the last 2 harvests and in the commodities the last 3-4 years. What went too high has now gone too low. So, what does that have to do with marketing corn and beans for you? I believe it has changed the scope of marketing. That is, we should be looking a year or two out and

By
Ben Hedtke
*Grain
Merchandiser*



for some of you 3 years out. If you are selling nearby rallies, sell some deferred bushels also for 2016 or 2017.

Our current marketing situation is hohum at best. Though, I am fascinated to watch and see how the cash market can drive carries out of the futures market therefore, incentivizing grain to move in the now. Which is working! Domestic end-users will continue to push hard for needs as we dip into the holiday season. For the next 45 days I think we see needs get cov-

ered either by commercial grain or by HTA's priced into delivery. However, in the way of beans I am a little lack-lustered. As the river markets freeze up we will see less competition for local beans and possibly a little less opportunity. Then again who has beans, right? Higher, that's all I think when I look at corn values. Why? The majority of those holding the corn this year are flat-price traders with some staying power. What will be interesting in the coming months is when corn gets cheap enough to compete in the global market. Where will values go when we have a domestic market competing with the global values! Fun! Fun! Remember, it always gets better when it is at its worst.

Off my soap box onto my sales box! Call to enroll your averager bushels. Call for FOB pricing. Call for on-the-farm pick up. Just call.....please.

November crop report filled with surprises

The November crop report was filled with surprises. The Sept 1, 2016 carryout number of 1.7 billion bushels and the bean carryout estimate of 475 million bushels exceeded expectations. In addition the world corn carryout number was much larger than anticipated because of a revision in Chinese demand. Add to that a sluggish economy in China, expectation that with the election Argentina will become a more aggressive exporter, and a strong U.S. dollar the markets will most likely be range

By
John Brandts
*Grain
Merchandiser*



bound for the near future.

These are a couple of bright spots. With the depressed market the U.S. is becoming

more competitive in the corn export market. The second is basis levels. With the depressed markets farmers have been reluctant sellers waiting for the basis and or futures to improve. With the depressed futures market and reluctant farmer selling this may be an opportunity to lock in attractive basis levels while waiting for the market to improve.

We wish everyone a safe and enjoyable holiday season.

A successful 2015 harvest season



By
Scott Dubbelde

Each year seems to fly by faster than the previous one and 2015 is no exception. Harvest went very smoothly and I'm extremely proud of our Employee Team for maximizing their facilities while doing a great job of serving you. All of our Departments pitched in to help make a successful 2015 Harvest Season.

We are now running four FCE grain semis full time and a fifth one part time. This is in addition to our commercial trucker/partners. We have a couple of new drivers that started this Fall. They are Bob Moore from Cottonwood and John Balvin from Canby. These two along with our new Grain Originator, Grant Velde, make up our new full time hires. We are very happy to have them on our FCE Team.

The Montevideo Expansion project is progressing at a rapid pace. The two 750,000 bushel steel bins are completely done and there has been a huge amount of additional concrete poured also. The rail receiving pit and the truck receiving pits are almost completed. Towers are going up as

I write this and the entire project is really taking shape. With a little luck, and more favorable weather, the receiving building and the electrical building may even be erected yet this Winter. Our Grain Merchandisers wish that we had access to those additional rail markets now. I keep telling them that they'll have to wait until this coming Fall.

I cannot let the Holidays pass without sending you some good wishes. We hope that you had a good Thanksgiving and have many blessings to be thankful for. And I wish you a Merry Christmas and a Happy New Year. Please help us all keep the Christ in Christmas and we hope you enjoy this Holiday Season.

Marketing meetings dates set

Happy Holidays to everyone. We had a great harvest and it appears we have extra bushels to market this year. It will not ease the sting of our market price but should give hope that we can continue to operate in the challenging environment.

We will be having marketing meetings on December 17th. Please see the box with times and locations. Both CHS Hedging and FCStone are on the docket. Hopefully we can get some good information about what are realistic expectations and be ready to act on them when the time comes.

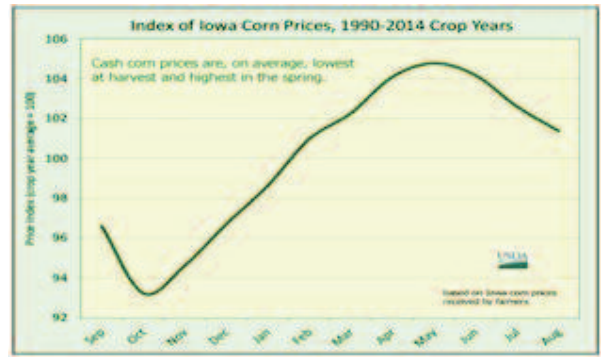
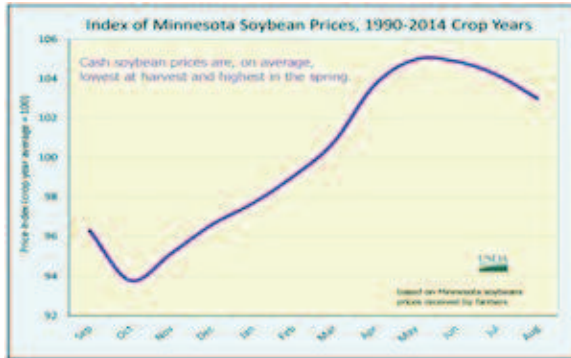
OTC contracts (read "accumulators") are out there, but at this point are not offering much in

the way of pricing that gives us a chance to profit. In a risk/reward environment and this early in the marketing year, it doesn't give us enough "reward" to start pricing now. The market needs to rally and put some additional premium out there. Quite frankly, we need a supply side issue to show up, either in South America, the US, or both. Our demand pull just isn't big enough to

By
Bill Doyscher
Assistant
Manager



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