

HANLEY FALLS • COTTONWOOD		F armers C ooperative E levator Co.	MINNESOTA FALLS
MONTEVIDEO	MINNESOTA FALLS		
ECHO • TAUNTON • MINNEOTA			

FARMERS COOPERATIVE ELEVATOR CO.

1972 510th Street
Hanley Falls, MN 56245

E-Mail: fce@mvtvwireless.com
Website: www.farmerscoopelevator.com

March 2019

Hanley Falls: 507-768-3448 800-626-2510 Hanley Falls South Elevator: 507-768-3602	Cottonwood: Mill Office: 507-423-6235 800-423-6230 Cottonwood Elevator: 507-423-6489
Minnesota Falls: 320-564-3835 320-765-4100 320-564-3834	Echo: 507-925-4126
Montevideo: 320-269-6531	Taunton: 507-872-6161
Minneota: 507-872-6134	

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



By
 Scott Dubbelde

We live here for the nice people... not the Winter weather

It has been quite a Minnesota Winter so far and it doesn't appear to be over yet. Our FCE Employee Team and our hired truckers should be commended for persevering and getting you our Patron/Owners served during some pretty crummy weather. Thanks to all who have braved the roads and conditions out there for FCE and you our Patron/Owners!

The tariffs that have been making the world news the last number of months has made merchandising soybeans a little more challenging than normal. Our goal is to get the Hanley Falls and Montevideo soybean bunkers picked up and shipped before Summer. I think that this should be attainable once the snow melts off the tarps. And we have planned for the corn bunkers to be picked up before Summer also. It will be a busy Spring.

We hope to see you at the Annual Meeting on March 15th. I'm looking forward to some reflections that Kevin Eye plans to share with us at 6:45 PM. He had a much decorated career with Land O' Lakes. You can celebrate with Dan Stevens and congratulate him for his 18 years of service as a member of the FCE Board of Directors. And if you turn 68 years old before March 31st of this year, you will receive your Equity Retirement check. There are once again some nice sized checks that will be handed out this year to reward you for doing business with the Local Coop that you own. See you on the 15th.

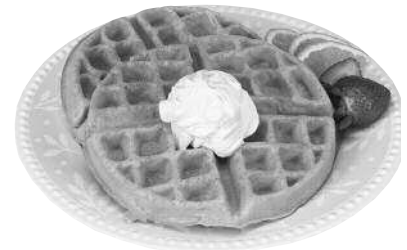
ANNUAL MEETING

Friday, March 15

at the
**LAKEVIEW HIGH SCHOOL
 IN COTTONWOOD**

BELGIAN WAFFLES

Served from 4 to 7:00 p.m.



ENTERTAINMENT

At 6:30, Kevin Eye, a recently retired VP for Land O' Lakes will share with us some information from his travels, etc. 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.

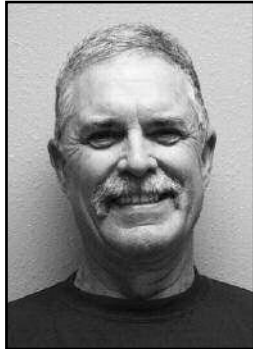
The business meeting begins at 7:30 p.m. We'll review last year's operations at FCE and discuss plans for the current year. We will also be electing three directors to the board. Profiles of the director candidates are inside this newsletter.

DIRECTOR CANDIDATE PROFILES

Cottonwood Area

Mark Vandelanotte

Mark Vandelanotte is an incumbent director, serving on the board since 1997 and as chairman of the board for the past 14 years. He farms six miles south of Cottonwood with his brother, David and his nephews Jance and Jeremy. They raise corn, soybeans and alfalfa and they feed beef cattle. Mark and his wife, Jane, have two adult daughters: Abby and Bayli.



Hanley Falls Area

David Alness

David Alness lives and farms 12 miles northwest of Hanley Falls. David and his wife Carol have three children. Michael is 23 and attends SDSU in Brookings; Marit is 21 and attends NDSU in Fargo; Samuel is 18 and attends Lakeview High School. He has been raising corn and soybeans for 36 years. He is a member of Pioneer Power Threshing in Hanley Falls, is the Treasurer for the Spring Creek Lutheran Cemetery and has been the Friendship Township Clerk for 23 years. David enjoys hunting, fishing, camping, kayaking, and spending time with family and he looks forward to an opportunity to serve our cooperative members.



Echo Area

Todd Lecy

Todd Lecy is an incumbent director, serving on the FCE board since 2013. He farms between Granite Falls and Echo with his dad Robert and sons Hunter and Bobby. He has been farming for 35 years and raises corn, soybeans, wheat, and alfalfa. They have a beef cattle and cow/calf operation. He and his wife, Jennifer have five children: Cody, 34; Beau, 32; Hunter, 27; Bobby, 26 and daughter Laiken, 20. Todd serves on the Sioux Agency Township board of supervisors. He enjoys, hunting, fishing and attending athletic events.



Carl Louwagie

Carl and his wife Jolene live south and west of Hanley Falls in Swede Prairie Township. They have four children; Brent is 22 and a graduate of NDSU, Jarrett is 20 and attends NDSU, Jack is 21, and Sophia is 19 and attends the U of MN. Carl has farmed with his father Laurence since 1990, raising corn, soybeans, alfalfa, and currently custom feeds Holstein steers. He is a member of the Yellow Medicine Corn and Soybean Growers and the Yellow Medicine Farm Bureau. He is also the treasurer for the St. Clotilde Catholic Church Men's group and is the organizer of Ag in the Classroom for many local schools in Lyon, Yellow Medicine, and Lac Qui Parle counties. Carl is a diehard Minnesota Vikings fan who bleeds purple every year.



FCE Commentary on Homepage

FCE is here to serve your business needs. With the ever changing information locally, regionally and globally, we have started the FCE Commentary page. To find the page, go to the homepage and look for the blue rectangle with "FCE Market Commentary-Click Here". It is located just right of the Facebook box. This is an example of an FCE Commentary:

2/19/2019 – Grant Velde

The USDA's Outlook Forum, "Growing Locally, Selling Globally," will take place on February 21st-22nd. The USDA projected net farm income in 2019 at \$77.6 billion, which is an increase of \$8.4 billion from 2018. There is hope that the year round E15 rule will be completed by the end of summer.

The forecast for Northern and Central Brazil is for scattered rain next week and is expected to slow soybean harvest. The rain is likely too late for full season corn and beans, but will improve conditions for the safrinha (2nd crop) corn. Soybean harvest is estimated to be 36% complete. AgRural has estimated total soybean pro-

By
Grant Velde
*Grain
Originator*



duction down to 112.5 mmt.

The forecast in Argentina is for hot/dry through next Wednesday and then a cool front triggers thunderstorms from the South (Thursday) to the North (Monday). The Rosario Exchange increased its corn production is estimate 2.5 mmt to 46.5 mmt and soybean production by 2 mmt to 52 mmt. It is estimated that 5% of the corn crop has surplus soil moisture and pollination is estimated to be at 60%.

On Tuesday the 19th: March 19 corn at 375.50 (resistance @ 379.00 and support @ 371.00) March 19 beans at 905.25 (resistance @ 914.00 and support @ 902.00) March 19 Minn. wheat at 571.25 (resistance @ 579.00 and support @

570.50). Locally: corn basis steady and bean basis steady. FCE - Hanley Falls cash market: Jan. 19 corn @ 3.41 cash (-.34 basis) / Jan. 19 beans @ 8.11 cash (-.95 basis). Current futures spread: corn (March 19 to July 19 @ .16) and beans (March 19 to July 19 @ .27 1/4). FCE – Hanley Falls Oct. 19 corn \$3.50 and Oct. 19 beans \$8.57.

The 7th meeting between the US and China begin today in Washington, DC. There is speculation that China will approve purchases of US ethanol and DDG's in the near future. March 2nd is the firm deadline for a trade agreement with China. If an agreement is not reached by March 2nd, an additional 15% tariff on \$200 billion worth of Chinese goods, will be imposed.

FCE is currently enrolling bushels towards the FCE Averages for the 2019 marketing year. Please call to enroll 507-768-3448.

Thank you for being a patron/owner of FCE. We do appreciate your business. Grant

Challenging marketing

There is plenty of weather ahead so it makes no sense to try to outguess it, but we can venture out and say that so far we are getting winter when we should. It has kept winter grain movement to a minimum. That in turn has allowed basis on corn to work in towards more normal levels.

The most challenging years in marketing are when there is little movement. Our current range bound trade (corn 3.66-3.90, beans 8.80-9.40) has not given us any incentive to let grain go. The only catalysts so far have been cash flow for taxes, rent, and prepaid expenses. That doesn't appear to be on any path to change. Until there is a perception of a supply side issue (smaller crop) then don't expect much in

the way of rallies. Remember, from a fundamental standpoint grains are overpriced.

Insurance prices for corn are running very close to last year. Beans are running \$.60 or so under last year. As part of any marketing plan it is necessary to be sure your Revenue Assurance is sufficient. But beyond that focus should be on making sales above those prices when the opportunity arises. This year those chances will probably be few and far between. Don't miss them.

If you would like timely updates and ideas for marketing, joining our marketing group is a very cost effective way to be better than average. We don't market your grain for you. We give you insight into what

By
Bill Doyscher
*Assistant
Manager*



is happening and some ideas from a veteran group of grain people. FCE wants to keep your business profitable so you can help us keep our business profitable. Think about doing business with your local coop for the right reasons.

See you at the Annual Meeting on March 15th!

Welcome Kathy Whitear to our team

The feed team would like to welcome Kathy Whitear to our location. Kathy spent the last 18 years working for Midcontinent in Cottonwood. She lives in Granite Falls with her husband, Mark and grandson, Corbin. Please welcome Kathy the next time you see her!

A few reminders as we plug through an already long cold snowy winter. Please continue to get your yards cleaned out for deliveries. If possible, call your orders in a day or two early with this wintery weather. We have had to pull trucks off the roads due to dangerous road conditions, and may not be able to get feed out the day you order. Check to make sure all bin lids, ropes and chains are in working order to

By
Ron Hodges
*Feed
Department*



prevent drivers from climbing ladders in unsafe conditions.

Also, a reminder that FCE will not weigh livestock trailers or manure trailers at any locations other than Minneota & Montevideo's outside scales. These are the only scales we have with no pits. Make sure all livestock manure is cleaned from trucks when coming across all of our scales. This is a biosecurity policy and will

be strictly enforced at our locations.

We have a great team at FCE, who strives every day to bring you a quality product and excellent service! We would like to end with a big THANK YOU from our team at the feed mill.

Think Spring!

I think it's time for spring to be here soon! Croplan had a good year in most of the answer plots including both corn and soybeans. If you don't have all your seed purchased, we still have some Double Pro. We will have some Liberty, RX, and Roundup Ready soybeans on hand and also GT127

Winfield United was ranked fourth largest soybean supplier in the nation. Windfield is like FCE...patron owned Winfield pays FCE a patronage back just like FCE gives back a patronage.

Corn Numbers:

3575SS 3705VT2 4004 Conventional
4188VT2 SS

We have a good supply of 3899VT2 and other hybrids.

Soybeans...All have 90% germination

L1200 L1655 L1550 GT127
RX1600 RX1827 RX2147 RR1872
1950 2200

Wheat 3419 (Croplan)

Oats (please call)

Keep thinking spring so it warms up. We

By
Steve Fry
*Seed Team
Leader*



will see most of you at the annual meeting on March 15, at the Cottonwood High School. You will be receiving your dividend check at the meeting,

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

Free Price Later

**began on Corn and Soybeans Monday, February 18, 2019
as space allows.**

If not priced by 4:30 p.m. on August 30, 2019, storage will accrue from August 1, 2019.
Effective September 1, 2019 corn and soybean storage rates will be 5¢ per bushel per month

Lack of news brings unknown to market

If I had a dollar for every time I have heard "I want \$9.00 beans," I don't think I would be sitting in an office in Hanley Falls, Minnesota in -5 below weather. In fact, I've been told that Mexico is nice this time of year. The question is however, what does \$9.00 beans mean to your operation? Is it just the satisfaction of having a nice, round number on your settlement sheet? Does it mean you are 60 cents above your breakeven, or maybe 25 cents below? I am sure I have said it many times but, figure out your breakeven. If one is selling just because a number sounds nice, how is that operating your farm as a business? As times have become tighter, it seems that individuals get more attached to their grain. Instead of selling because one may 'feel like it,' it's time to start marketing based on what is best for the business and taking the emotion out of it is a step in the right direction.

If you've been watching basis, you'll

notice that it has improved over the last few weeks. Different things contribute to this: lack of farmer selling, weather locally and nationally, delivered values on the rise (for exports and end users), and competition. However, basis can only do so much work. So, what is the futures market going to contribute to get to the magic \$9.00? Truth be told there isn't a lot of fresh news. Anything with China is pretty much just kicking the can down the alley and South America is looking to be in okay shape. Brazil is half harvested with beans (113 mmt crop) and is planting their second corn crop at a record pace. Argentina has been very wet, too wet in some places, and harvest is going to kick off there in the coming weeks, but they still have the last part of the growing season to get through. That leads us to the Northern Hemisphere. Planting in the U.S. is right around the corner and that means Prospective Planting and the Stocks report on March 29th, as well as

Demand pulls

"This is a good ol fashioned winter" an old-timer told me at church last week as he walked 3 blocks in -15 degree weather... smiling. Maybe it was because we were walking into the Lords House that he was so positive and pleasant. However, I believe he was sincere in the sense that we Minnesotans have grown accustomed to no-snow winters as of late. This winter's abrupt change in what we expected/anticipated has surprised we Minnesotans and the markets we dabble in. Corn, beans, and wheat all trade in relation to one another. To talk about one we effectively talk about the others. This is most commonly true in bearish markets or markets burdened with supply or lack of demand. The silver lining behind an unexpected snow-filled winter like this one is that it has forced demand into our markets. Not so much

demand for corn or beans as it has raised the bid for the wheels we move them with. The pipeline has slowed to a trickle because grain bins simply cannot be accessed in a winter like this. This "good ol fashioned winter" brings great value to your coops infrastructure and is one of the reasons coops exist. The cash market on corn has managed to offset carries and encourage corn movement thus dis-incentivizing warehouses to stockpile and wait for better values. The values are here now! For the Farmer this would be an opportunity to look into later months perhaps May or June and make your sales when you know your crop can be delivered. I am not a huge advocate of basis contracts but there are basis levels out there that are just too high and will "run" when the crop actually moves. New crop corn is a no-brainer. If you have priced some at ~\$3.50 and plan to grow more corn this year, price more. If you

By
Laura
Ruble
Grain
Merchant



potential weather concerns throughout our growing season.

Right now, there are a lot of 'what ifs' and most of that has to do with government policy, demand, and South America crop. In my opinion, all you can do at a time like this is know the facts and be informed. Read/Watch Agricultural News, join Bill's marketing group or check out Grant's commentary on our website. Follow FCE prices by signing up for our text bids that come to your cell phone daily. All good options to stay "in the know."

Looking forward to seeing you in a few short weeks at the Annual Meeting.

By
Ben Hedtke
Grain
Merchandiser



have priced none and plan to grow more, well.... The tough one is beans. What to do with beans? Today I will refer back to my corn comment, grow more corn but be sure to have it priced before this market wakes up and hears you are doing so. Some tough love regarding beans from a local grower friend of mine "deal with the market you have, not the one you want".

For specifics and hard data on your crops, weather, local or national news please read Grant and/or Laura's articles.

If you have specific questions or needs please call. FCE has all the marketing tools anyone else has and will provide them at no or low cost to you.